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President: Ms. Triveño (Peru)

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The meeting was called to order at 10.20 a.m.

Organization of work

1. **The President** said that the General Committee, in accordance with rule 42 of the rules of procedure, wished to make a number of proposals to the Conference concerning the organization of its work. In formulating those proposals, it had taken into account the recommendations of the informal consultations convened at the request of the Industrial Development Board for the preparation of the Conference, contained in conference room paper GC.15/CRP.2. It was recommended that the Conference should:

(a) Decide to cover agenda items 7 to 21 in the plenary in the form of a general debate;

(b) Establish one Main Committee, chaired by Mr. Brennan of Ireland, on which each Member participating in the Conference might be represented;

(c) Decide to refer agenda items 7 to 21 to the Main Committee for a more focused debate aimed at the preparation of consensus draft decisions and resolutions for submission to the plenary, and to request the Chair of the Main Committee to submit a written report on its work to the Conference by Friday, 6 December 2013.

2. *The recommendations were adopted.*

3. **The President** said that, in accordance with rule 35 of the rules of procedure, the Chair of the Main Committee would be a member of the General Committee.

4. The General Committee recommended that, as in past years, the Main Committee should elect four Vice-Chairs instead of three Vice-Chairs and a Rapporteur. It also proposed that the Conference should organize its schedule of work along the lines recommended by the informal consultations of the Board, as reflected in the tentative schedule of meetings that had already been distributed. Statements should be as short as possible, bearing in mind that the maximum time available in the general debate would be five minutes for Member States and 10 minutes for regional groups. She urged delegations to use the Main Committee for constructive discussions aimed at reaching consensus decisions on the items allocated to it and avoid making general statements that should be reserved for the general debate. She drew attention to rule 90 of the rules of procedure, which required the

Conference to make every effort to ensure that all its substantive decisions were taken by consensus. With that in mind, she urged that every effort should be made to avoid voting in the plenary. Should any disagreement arise in the Main Committee on any item, the Chair of the Committee, in his report to the plenary, would inform the Conference of the divergent views and a statement explaining the positions of the Member States in that regard would be delivered in the plenary.

Credentials of representatives to the Conference

Appointment of the Credentials Committee

5. **The President** said that the composition of the Credentials Committee was to be based on that of the Credentials Committee of the United Nations General Assembly at its sixty-eighth session, which was as follows: Belgium, China, Colombia, Gabon, Guyana, the Russian Federation, Singapore, the United Republic of Tanzania and the United States of America. Since Singapore and the United States were not Member States of UNIDO, the States in List A in Annex I to the UNIDO Constitution had submitted the candidature of Kazakhstan to replace Singapore and the States in List B had submitted the candidature of France to replace the United States. Since representatives of Belgium and Guyana were not available to attend the meeting of the Credentials Committee held on 4 December 2013, the States in List B had submitted the candidature of Germany to replace Belgium and the States in List C had submitted the candidature of Mexico to replace Guyana.

6. If she heard no objection, she would take it that the Conference agreed to the proposed composition of the Credentials Committee.

7. *It was so decided.*

List of States included in Annex I to the Constitution (GC.15/CRP.2)

8. **The President** said that Turkmenistan was not yet included in any of the Lists of States in Annex I to the Constitution. In a note verbale dated 6 August 2013, the Islamic Republic of Iran, Chair of the Asia and Pacific Group, had informed UNIDO of the decision to include Turkmenistan among the Asia and Pacific States in List A.

9. If she heard no objection, she would take it that the Conference agreed that Turkmenistan should be included in List A in Annex I to the Constitution.

10. *It was so decided.*

Annual reports of the Director General on the activities of the Organization for 2011 and 2012 (*continued*) (IDB.40/2, IDB.41/2)

Reports of the Industrial Development Board on the work of its fortieth and forty-first regular sessions (*continued*) (GC.15/2 and GC.15/3)

Forum on industrial development issues (*continued*) (GC.15/4)

Financial matters (*continued*)

- (a) **Scale of assessments of Member States** (*continued*) (IDB.41/6/Rev.1; IDB.41/Dec.9)
- (b) **Financial situation of UNIDO** (*continued*) (GC.15/11 and GC.15/14; GC.15/CRP.1)
- (c) **Working Capital Fund** (*continued*) (IDB.41/7; IDB.41/Dec.10)
- (d) **Financial regulations** (*continued*) (IDB.41/14; IDB.41/Dec.11)
- (e) **Appointment of an External Auditor** (*continued*) (GC.15/12; IDB.41/15)

Programme and budgets, 2014-2015 (*continued*) (IDB.41/5 and Add.1; IDB.41/Dec.12)

Medium-term programme framework (*continued*) (IDB.41/8; IDB.41/Dec.13)

Outcome document of the informal working group on the future, including programmes and resources, of UNIDO, entitled "Strategic Guidance Document" (*continued*) (IDB.41/24)

Lima Declaration and Plan of Action 2013 (*continued*) (GC.15/13)

UNIDO activities related to energy and the environment (*continued*) (GC.15/5 and GC.15/6)

UNIDO activities related to agribusiness, trade capacity-building and job creation (*continued*) (GC.15/7)

UNIDO activities related to the Vienna Ministerial Declaration and Plan of Action of the Least Developed Countries and to cooperation with middle-income countries (*continued*) (GC.15/8 and GC.15/9)

Report of the work of the Multilateral Diplomatic Committee in UNIDO (*continued*) (GC.15/CRP.4)

Personnel matters, including UNIDO Staff Pension Committee (*continued*) (GC.15/CRP.2; IDB.41/19; IDB.41/Dec.15)

Matters related to intergovernmental, non-governmental, governmental and other organizations (*continued*) (GC.15/10)

Date and place of the sixteenth session (*continued*)

11. Mr. Hatzopoulos (Greece), speaking on behalf of the European Union (EU), Turkey, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Albania, Bosnia and Herzegovina, Norway, Ukraine, the Republic of Moldova and Armenia, said that the EU and UNIDO cooperated extensively in many fields. Such cooperation had helped more than 70 countries in Africa and the Caribbean, Asia and Eastern Europe develop small and medium-sized enterprises (SMEs), improve the quality of their products, enhance their food safety standards, participate in international trade and protect their environment through more sustainable industrial activities. Such programmes had been supported with more than 100 million euros from the EU over the past eight years.

12. The EU and UNIDO had identified a number of areas for future cooperation, including the promotion of sustainable patterns of production and consumption, ensuring that they were resource- and energy-efficient, low-carbon and low-waste, non-polluting and safe, resulting in products that were responsibly managed throughout their life cycle. Another area of interest was the greening of existing industries and the creation of green businesses that delivered environmental goods and services, such as waste management and recycling services, renewable energy technologies and environmental advisory services. There was also cooperation on mainstreaming the use of renewable energy in industrial applications, particularly in SMEs, increasing their competitiveness and reducing their dependence on fossil fuels, providing access to energy through mini-grids and facilitating the strengthening of agro-industrial capabilities and linkages that improved

opportunities for added value and served as an effective means of achieving economic transformation and providing sustainable livelihoods.

13. In that context, he recalled the relevance and importance of UNIDO in such fields as trade capacity-building, standards implementation, development of the private sector, including institution-building, the development of national and regional industry strategies and policies and the development of value chains, thereby achieving energy efficiency, promoting renewable energy and fighting poverty.

14. The EU was committed to inclusive and sustainable growth for human development, promoting a social and green economy that generated inclusive growth, created decent jobs and helped reduce poverty by investing in natural capital. That included support for cleaner technologies, energy and resource efficiency, low-carbon development and the encouragement of innovation relating to core labour standards, the use of technology and support for corporate social responsibility. It was also committed to the promotion of sustainable agribusiness, locally developed good practices, with the focus on smallholder agriculture and rural livelihoods. It also sought to facilitate access to low-carbon technologies and affordable and sustainable energy services.

15. Dialogue and cooperation continued in such areas as capacity-building in African, Caribbean and Pacific countries to add value to their mining products, strengthening creative industries, supporting cleaner industrial production in southern Mediterranean countries and improving sustainable production and consumption in six countries of Eastern Europe. EU-UNIDO joint advocacy had also helped mobilize international partners for major priorities such as "Sustainable Energy for All", agribusiness in Africa and productive work for youth in the Mediterranean.

16. The relevant services of the EU and UNIDO would continue their dialogue through workshops, conferences and dialogue in the field with developing countries and regional integration organizations, as well as any means that would help the EU and UNIDO to achieve their objectives on the basis of ownership by the partners. The EU was committed to working with UNIDO to increase access to sustainable energy as a key component of poverty eradication. It reiterated its commitment to cooperation and continued dialogue with UNIDO.

17. **Mr. de Alba** (Mexico), speaking on behalf of the Group of Latin American and Caribbean States (GRULAC), recalled that the Conference of Latin America and the Caribbean Ministers of Industry held the previous day had addressed the importance of industry and trade for inclusive and sustainable economic growth in Latin America and the Caribbean and the contribution of innovation and technology transfer to sustainable industrial development. UNIDO should play an important role in that regard and he therefore appealed to it to strengthen its presence in the region, consolidate programmes and projects with the Governments of the region, promote alliances with other States and organizations and encourage a platform of South-South cooperation on the basis of past experience. Such action would be possible if a greater commitment was made to channel resources and strengthen the Latin America and the Caribbean programme. A large Caribbean contingent was present at the current session and GRULAC was sure that, with renewed political commitment, the region as a whole could continue to receive support for its inclusive and sustainable industrial development. GRULAC welcomed the adoption of the Lima Declaration (GC.15/13, annex). In that connection, it supported the approval of the programme and budgets for the biennium 2014-2015 (see decision IDB.41/Dec.12 in document GC.15/3) and urged the Director General to give due consideration to the recommendations contained in the Strategic Guidance Document prepared by the informal working group on the future, including programmes and resources, of UNIDO (IDB.41/24). Commendable as the Organization's work was, there was room for greater efficiency in technical cooperation, action-oriented research and policy advisory services, its work on standards and compliance and its convening and partnerships role.

18. GRULAC attached great importance to strengthening national and regional programmes to promote inclusive and sustainable industrial development. In that connection, it recalled the Fourth UNIDO-GRULAC Expert Group Meeting, held in Quito within the framework of Resource Efficiency Week in Ecuador and attended by senior officials and experts from across the region. The outcomes of the Conference of Ministers of Industry and the Expert Group Meeting had been positive and GRULAC trusted that UNIDO would follow them up and support the convening of further meetings of both bodies,

which constituted valuable tools for regional integration and the development of industrial, energy and environmental policies, as well as strengthening regional and international cooperation.

19. GRULAC attached great importance to the Industrial Knowledge Bank as an innovative tool for the exchange of experience and cooperation. Contributions from the countries of the region had had practical and positive results. GRULAC was very grateful to Spain for its financial contributions to the Bank, which had made possible a large number of cooperation projects.

20. Recalling the establishment at the Conference's fourteenth session of the Trust Fund for Latin America and the Caribbean, which aimed to provide support for services of particular interest to Member States in the region, he welcomed the definition of the terms of reference for the use of the Fund, which would facilitate coordination in identifying regional initiatives and channelling financial resources into the region. He requested the Director General and the Secretariat to seek additional resources for the Trust Fund and the Industrial Knowledge Bank, particularly from regional and international financial institutions.

21. GRULAC welcomed the outcome document of the informal working group on the future, including programmes and resources, of UNIDO, entitled "Strategic Guidance Document", which would assist with the formulation and implementation of medium-term programme frameworks, programmes, budgets and other operational programmes. It trusted that the document would be approved by the General Conference.

22. It was essential that cooperation with middle-income countries should be increased, without prejudice to the Organization's cooperation with the least developed countries. In that connection, he recalled the San José Declaration adopted at the High-Level Conference of Middle-Income Countries, on the theme "Challenges for sustainable development and international cooperation in middle-income countries: The role of networks for prosperity" (see document GC.15/9). GRULAC urged UNIDO to take the Declaration into account in developing industrial cooperation programmes with middle-income countries.

23. Mr. Khosraviani (Islamic Republic of Iran), speaking on behalf of the Asia and Pacific Group, said

that, as a specialized agency working towards sustainable industrial development, UNIDO should continue its endeavours to create capacities within developing countries to enable them to become effective manufacturing and trading partners in the global market. The Group hoped that the deliberations in the forum on industrial development issues (see document GC.15/4) and the interregional debates would provide the critical catalyst for placing inclusive and sustainable industrial development at the centre of the post-2015 development agenda. The Group trusted that the recommendations of the forum would be reflected in the Organization's regional programmes and projects.

24. The Group appreciated the increase in the rates of collection of assessed contributions for 2012 and 2013, but urged Member States, and former Member States, to fulfil their financial commitment to UNIDO without delay.

25. The Group noted with concern the reported decline in technical cooperation activities in the first three quarters of 2013. The Secretariat should address the matter by further rationalizing expenditure to ensure the effective allocation of the available financial resources. In that connection, the Group thanked the Auditor General of Pakistan for his valuable contribution to improving the efficiency, transparency and overall performance of UNIDO.

26. The Group supported the approval of the proposed programme and budgets for 2014-2015, which would ensure the Organization's capacity to provide tailored services to Member States, particularly in the area of technical cooperation. The Group also appreciated the Secretariat's efforts in promptly preparing a revised proposal as a response to the unforeseen withdrawal of one Member State.

27. UNIDO would play a significant role in the international development agenda over the next decades. It should therefore strengthen and build on its existing partnerships and mobilize more financial resources. The Group welcomed the "Strategic Guidance Document" issued by the informal working group on the future, including programmes and resources, of UNIDO, which would provide guidance and serve as a significant source of strategic input for the Director General. It should therefore be approved at the current session and form the basis of the

medium-term programme framework and other operational programmes.

28. The Group commended the work of UNIDO in promoting competitiveness through enhanced industrial energy efficiency measures, the increased use of renewable energy for productive purposes and industrial applications and the scaling-up of clean and innovative energy technologies. The achievements of the trust fund on renewable energy (see document GC.15/5, para. 14) were noteworthy in that regard. The Group also commended the Organization's partnerships with the Vienna Energy Forum, the Global Green Growth Forum, the Green Industry Initiative, Sustainable Energy for All and the Global Environment Facility (GEF). UNIDO should build on the work already done and aim for larger environmental and energy projects in time for the GEF project cycle beginning in July 2014.

29. The Group looked forward to the delivery of further projects relating to agribusiness, trade and job creation in the Asian region. It also supported the Organization's industrial development activities targeted at both the least developed countries and middle-income countries. There were 14 countries within the Asian Group designated as least developed countries by the United Nations and the Group trusted that UNIDO would provide them with the same programmes as those enjoyed by other least developed countries. Middle-income countries, although heterogeneous, also faced development challenges. It was therefore appropriate that specialized agencies of the United Nations system, including UNIDO, were considering new strategies and policies in that regard. He commended the Organization's engagement in middle-income countries, with the promotion of: local innovation and technological learning, resource efficiency and competitive green industrial growth; North-South, South-South and triangular cooperation; and capacity-building and value addition for increased competitiveness and market access through compliance with international standards. Any strategy on poverty reduction at the global level must support poverty reduction in middle-income countries as well, since most poor people lived in middle-income countries.

30. The Group welcomed the recent merit promotion exercise. At the same time, the principles of geographical distribution, fair treatment and equal opportunities must be safeguarded. The Human

Resource Management Branch should monitor, supervise and follow up the exercise to ensure that all officers benefited from equal assessment opportunities. A fair promotion process contributed positively to the Organization's technical cooperation delivery and its overall performance.

31. **Mr. Elamin** (Sudan), speaking on behalf of the Group of 77 and China, after commending the Director General's participation in the United Nations General Assembly, his openness and his interest in engaging new partners, said that, for the second time in 38 years, Lima called upon the international community to reaffirm its conviction that industrial development was crucial to economic growth and poverty eradication. Developing and least developed countries had come to the second General Conference with hope and determination to promote their industrialization and increase their participation in the international economic order. The return of the General Conference to Lima gave significance to a renewed political commitment to inclusive and sustainable industrial development and to the role of UNIDO as the main agency of the United Nations system addressing developing countries' demands for industrial development. The Group of 77 and China fully endorsed the Lima Declaration.

32. Despite the outstanding progress made by many of the economies of members of the Group, high levels of poverty, unequal income distribution and low levels of competitiveness and productivity constrained the possibilities for greater participation in international trade and for sustained and sustainable development. There was thus no doubt about the importance of industrialization as a driver of development, through the creation of decent productive employment, the integration of women and young people in the economic growth process, the development of the public and private sectors, technology transfer, the promotion of technological change and innovation, resource-efficient production and renewable energy access for productive use.

33. UNIDO had adapted to the times and had also contributed to the realization of the Millennium Development Goals (MDGs) through its technical cooperation on poverty reduction. Its accumulated experience had made UNIDO a strategic partner in defining and implementing industrial policies and building national capacities in most of the countries of

the Group. The Group encouraged UNIDO to follow up the conclusions and recommendations of the High-Level Conference of Middle-Income Countries, the Twentieth Conference of African Ministers of Industry and the Least Developed Countries' Ministerial Conference.

34. UNIDO had facilitated North-South cooperation and technology transfer and had maximized national experiences through South-South and triangular cooperation, supporting the establishment of knowledge networking. The Group of 77 and China was confident that UNIDO could continue to help developing countries achieve sustainable development, bearing in mind the policy framework of each country and its right to define its own path towards sustainable development in accordance with its specific national needs, priorities and levels of economic, social and environmental development, and also its sovereign right over its natural resources. Inspired by a spirit of solidarity and cooperation, the Group invited all States and development organizations of the United Nations system, the public and private sectors, financial institutions and others to join an alliance to assure UNIDO its leading role in promoting industrial development.

35. The Group welcomed the "Strategic Guidance Document", which contained clear, balanced and pragmatic guidelines and recommendations. The General Conference should approve the Document as the basis for the formulation and implementation of medium-term programme frameworks and other operational programmes of UNIDO.

36. The current session afforded an opportunity for constructive discussions that addressed the main challenges of industrialization, the need for financial support for higher levels of technical cooperation delivery and the development of innovative means to achieve inclusive and sustainable industrial development.

37. **Mr. Oyugi** (Kenya), speaking on behalf of the African Group, commended the priority given by both Mr. LI Yong and his predecessor as Director General to promoting industrial development in developing countries, particularly in Africa.

38. The African Group welcomed the efforts of Member States to integrate the social, economic and environmental dimensions of sustainable development,

which should contribute to job creation, equitable social conditions and poverty eradication. In view of its vast wealth in natural and human resources, it was of great concern that most of the poorest nations were found in Africa.

39. As the central coordinator of inclusive and sustainable industrial development, UNIDO could assist Africa in designing suitable development policies and strategies, including the harnessing and utilization of its resources for much needed economic growth. The significance of UNIDO to African Member States had increased considerably over the years. The Group wished to reiterate its confidence in the Organization's ability to assist Member States by strengthening its activities such as technical cooperation, research and policy advisory services and action on standards and compliance and by fulfilling its convening role. UNIDO could help build Africa's economies by promoting SMEs, which were a significant factor in job creation. It could also assist with capacity-building, fostering South-South and triangular cooperation, technology transfer and private sector development, with a special focus on SMEs. Industrialization was a driver of development and social inclusion, empowering women and creating decent employment for young people.

40. The Director General had visited Africa in October 2013 and witnessed the continent's commitment to industrial development. In that connection, the African Group recalled the outcome of the Twentieth African Union Conference of African Ministers of Industry, which called for the elaboration of development goals on structural transformation within the context of the post-2015 development agenda. It also recalled the launch of the African Union's Agenda 2063, which constituted an economic development framework for Africa.

41. The Organization's initiatives in agribusiness, trade and job creation contributed significantly to poverty reduction in Africa. Although a number of duty- and quota-free initiatives had been launched to allow developing countries better access to markets, Africa's share of global trade remained at 1 per cent. Many African countries struggled to penetrate global trade, owing not only to their lack of supply capacity or adequate infrastructure for complying with market requirements with regard to standards and technical

regulations but also to the adoption of arbitrary standards that were used as technical barriers to trade.

42. Despite the financial crisis that had ravaged economies across the world, Africa continued to register high rates of growth, at an average of more than 5 per cent. It had therefore become more desirable in terms of investment. Many challenges remained, however, and the Group called for the facilitation of technology and skills transfer through North-South, South-South and triangular cooperation. Inclusive and sustainable industrial development was of intrinsic value in the social, economic and environmental spheres and should therefore be incorporated into the post-2015 development agenda. The Group urged all Member States to carry that understanding into the intergovernmental negotiations that would be launched at the sixty-ninth session of the General Assembly.

43. Energy access was fundamental to industrial development and economic growth. The African Group therefore commended the Organization's programmes that sought to reduce energy poverty in developing countries through technical cooperation and to promote industrial development underpinned with the creation of green industries. The Group welcomed the Organization's partnerships with relevant institutions that focused on utilizing locally available resources to harness sustainable energy.

44. The "Strategic Guidance Document" produced by the informal working group of the future, including programmes and resources, of UNIDO was clear and balanced, providing pragmatic guidelines and recommendations for UNIDO programmes and budgets and more effective programmes and activities in Member States. The Group looked forward to the adoption of the "Strategic Guidance Document" by consensus. It also welcomed the adoption of the Lima Declaration and hoped that its implementation would go a long way towards strengthening the industrial base in Member States, thus ensuring their genuine transition to inclusive and sustainable industrial development.

45. **Mr. González Jaramillo** (Ecuador) said that he wished to share his country's vision of the importance of industrial development and the role of UNIDO. The country's Plan de Desarrollo para el Buen Vivir (Development Plan for Collective Well-being) 2013-2017 was based on two major principles: poverty eradication and a change in patterns of production. The

crucial element connecting the two principles was industrial development, which in Ecuador required the involvement of the private sector, but with the focus always on the well-being of the population and an understanding that the most cohesive societies had the human capital required to drive any development strategy. As the Lima Declaration stated, industry increased productivity and created decent employment, which, in the view of Ecuador, was the best way of combating poverty in a structural manner. UNIDO must make itself the strongest proponent of more inclusive, equitable and dynamic industrial development. It should be the guardian of a new world industrial order, where countries could compete with quality and efficiency, with full regard for the need for adequate wages and a commitment to social security; where good manufacturing practices did not endanger the environment; where world institutions were stronger, so that it was they, not private investment funds, which decided that a given country or business was viable; and where foreign investment went not only to the raw materials sector but also to high technology and manufacturing. Only by increased research and technology in industry could developing countries achieve the aim of diversified production with greater added value, with an improved domestic value chain, and stop being simply exporters of raw materials. It was therefore essential to improve international cooperation in order to enhance timely technology transfer, on favourable terms for developing countries, through North-South and South-South cooperation in the interests of more efficient industry and cleaner production.

46. It was a matter of concern, particularly for countries like Ecuador with limited domestic markets, that protectionist practices were on the rise, usually in the form of para-tariff measures, which affected the exports of developing countries, including manufactured goods, and restricted the possibility of changing patterns of production. The best support that the more developed countries could provide was a real opening up of their markets; that would be the most effective form of cooperation to promote developing countries' industrial development.

47. **Mr. Bensabri** (Algeria) said that, in view of the negative impact of the current economic situation and the regrettable decision by some Member States to leave UNIDO, it was the duty of the international community to help the Organization overcome its

difficulties. That meant greater solidarity and collective efforts to meet common challenges. Algeria had always believed in the relevance of UNIDO and would continue to do so. It fully supported the Director General's efforts to revitalize the Organization in order to make it a global forum to coordinate industrial policies and discussions on economic development.

48. The theme of the current session — "UNIDO: Towards partnerships for a new industrial revolution for inclusive and sustainable growth" — was highly opportune, pointing up the close relationship between the economic, social and environmental dimensions of development. Inclusive and sustainable industrial development would contribute to poverty eradication, the creation of decent jobs, especially for young people, access to trade, competitiveness, economic diversification and the rational use of energy sources. It was essential that inclusive and sustainable industrial development should be incorporated in the aims of the post-2015 development agenda. UNIDO should be a leading participant in such action. In that connection, it should support efforts by Member States to improve living standards, diversify their economies and promote productive foreign investment. It should also promote mutually beneficial partnerships through North-South, South-South or triangular cooperation.

49. The industrial sector in Algeria was being revitalized, so that it could play an essential role in the process of growth and action against unemployment, the unemployment rate being currently 10 per cent. The aim was that the industrial sector should double in four years. The Plan of Action had the following priorities: improved industrial environment and development of productive capacities; growth, achieved by developing productive sectors with added value; productive investment for technological development and technical progress; and the development of industrial capacities in all areas. The Government aimed to decrease reliance on hydrocarbons, which, together with sustainable development, should ensure a stable macroeconomic environment. Studies would be carried out in 12 industrial sectors in order to enable industry to be a driving force in the country's development. Retraining would be offered over a three-year period for 18,000 people, totally financed by businesses that saw the need to increase competitiveness in an era of globalization. The Government was also seeking to promote entrepreneurship by setting up facilitation

centres to assist young graduates wishing to set up their own enterprises.

50. The industrial development and investment promotion sector worked with State bodies and public and private economic partners with a view to implementing the Plan of Action, under which all would be able to take part in renewing the country's industry. An extensive programme had also been set up to attract foreign direct investment, particularly with regard to technology transfer, the mining of natural resources and job creation.

51. **Mr. Karaca** (Turkey) said that, in recent years, global economic and financial conditions had adversely affected almost every country in the world. They had contributed to volatile energy and food prices, which in turn had led to a reversal of some development gains and exacerbated poverty and hunger. That situation, coupled with the main environmental challenges facing the world — depletion of natural resources, loss of biodiversity, scarcity of water resources and the impact of climate change — had made it all the more urgent to take the necessary steps to achieve sustainable development. If the international community could look beyond short-term considerations and demonstrate political will, success could be within its reach.

52. In such adverse global conditions, it was imperative to determine the true cost of development. While industrial development was crucial to lifting millions out of poverty, the economic aspect of development risked negating the environmental and social aspects of industrial development. Development must therefore be approached in an integrated manner. An essential component of sustainable development through sustainable industrialization was security of energy supply at reasonable prices. There could be no industrial development without energy resources. Lack of access to modern energy services was not only a major obstacle to sustainable industrial development, but also led to lack of access to clean water, sanitation and health care and to reliable and efficient lighting, heating, cooking, mechanical power, transport and telecommunications services. Achieving sustainable development in an equitable manner necessitated an inclusive approach, whereby all stakeholders, including the Government, civil society and the private sector, contributed to taking the necessary measures.

53. International cooperation in economic policymaking and partnerships in the field of

development were more crucial than ever. It was the collective responsibility of the international community to work on renewed commitments with focused, clear policies to address the current development challenges, especially with a view to attaining the Millennium Development Goals. The target date for the achievement of the Goals was less than two years away and achievements had been uneven. Although considerable progress had been made, much remained to be done. Developing countries — particularly the least developed countries — and countries suffering from conflict faced an even more daunting challenge as hard-won progress was under threat. A multifaceted and comprehensive approach was required.

54. Many technical and some vocational projects and seminars had been implemented through the UNIDO Centre for Regional Cooperation based in Turkey, aimed at the countries of Central Asia, Eastern Europe and Africa. Turkey was pleased to assist the Organization in extending training programmes in those regions and would like to expand such activities still further. UNIDO was also carrying out extensive projects in the field of private sector development, with a view to improving energy efficiency in industrial activity, phasing out ozone-depleting substances in production, identifying and removing persistent organic pollutants, promoting clean energy technologies and improving competitiveness and market access for SMEs, among many other things.

55. **Ms. Mabuwa** (Zimbabwe) said that current global economic and social challenges, such as rising youth unemployment, the financial crisis, increased levels of poverty and climate change, coupled with the inability to fully realize the MDGs, made it increasingly necessary for Member States to collectively address how they could collaborate and give greater impetus to a new industrial revolution for inclusive and sustainable industrial development. The necessary socioeconomic transformation could only be achieved by making industrial development policies a priority.

56. The theme for the Conference, "UNIDO: Towards partnerships for a new industrial revolution for inclusive and sustainable growth", underscored the importance of the social, economic and environmental dimensions of sustainable development, as well as of social inclusion. It also embodied the necessary

prerequisites, such as private-public partnerships, employment creation, economic diversification, equitable social conditions, the empowerment of women and young people, entrepreneurship development and poverty alleviation.

57. Since their adoption in 2000, the MDGs had formed the global benchmark for the development process. Further action was needed to scale up the successes and to identify further opportunities to realize goals. The post-2015 development agenda should embrace inclusive and sustainable industrial development as a primary goal in the fight against poverty and in advancing socioeconomic transformation. The focus of cooperation among regions should be reinforced by the promotion of technology transfer, investment in agro-industry, energy access and capacity-building, which were critical for the attainment of sustainable industrial development.

58. The Government of Zimbabwe had recently adopted the Zimbabwe Agenda for Sustainable Socioeconomic Transformation (Zim Asset), which underpinned the country's national development from 2013 to 2018. As her Government sought to rebuild the economy, it was focusing on harnessing the country's abundant human and natural resources, as well as adding value to and benefiting its primary products. The purpose of Zim Asset was to establish an environment that facilitated sustainable economic empowerment and social transformation for the people of Zimbabwe.

59. UNIDO should further promote sustained South-South cooperation, particularly through building business links for SMEs, as well as promoting public-private partnerships. The development and growth of SMEs was a critical component for economic empowerment for Zimbabweans. Strengthened South-South cooperation would assist in building industrial hubs and capacitate technologically qualified entrepreneurs in developing economies. Her Government had adopted the general principles of public-private partnerships, and was currently engaged in the process of finalizing the legal framework. The promotion of industrial development underpinned by the creation of green industries, which utilized both efficient and sustainable clean energy through the application of appropriate technologies, should be given priority.

60. Zimbabwe had benefited from the expertise of UNIDO in formulating the draft concept of the Green Industry Initiative, and hoped for further collaboration in the greening of the industry of Zimbabwe.

61. **Ms. Al-Ojeil** (Lebanon) said that, at the beginning of 2013, Lebanon had signed a framework programme, which included many different projects that were of great benefit to SMEs. Those were accompanied by technical partnerships and pragmatic practical partnerships between companies in Lebanon and overseas. There were also projects for energy efficiency and the reduction of the industrial impact on the environment in the South and Mediterranean, as well as for increasing the competitiveness of the food industry. The Government of Lebanon was sparing no effort to provide the necessary support and financing for those projects and was backing the work of the UNIDO Regional Office in Beirut.

62. A number of years ago, UNIDO had established in Beirut a centre for local industry, which was now considered to be one of the most important centres of its type in the region and across the world. UNIDO had also helped to establish factories and training centres.

63. The Government of Lebanon attached great importance to the role of UNIDO in meeting the needs of developing countries in the area of industrial development. The promotion of industrial development must be based on a flexible approach, taking account of differing levels of social, economic and environmental development as well as the specificities of each country.

64. The Conference had already highlighted the role of UNIDO as a key platform within the United Nations system for meeting the needs of developing countries in the area of industrial development. Lebanon also supported the "Strategic Guidance Document", which the Conference should adopt as a basis for the implementation of the programme budget.

65. UNIDO and its Member States were operating in a global climate that was characterized by acute crisis and major transformations. That was being seen in North Africa and the Middle East. The world was continuing to feel the effects of the 2008 financial and economic crisis, in the form of reduced growth rates, increased unemployment and increased inflation, jeopardizing living standards. The economy of Lebanon had succeeded in overcoming those obstacles

thanks to its inherent flexibility, as well as the country's laws on public debt, its robust private sector and banking sector, and solid monetary and banking policies. That had provided a shield against the fallout from the financial crisis. Rules on liquidity in the banking sector enabled banks to meet the investment needs of the country. Thanks to all of that, Lebanon had been able to build donor trust and encourage donors to invest in the country. The result of the difficult situation in the Syrian Arab Republic was that Lebanon was bearing a burden well beyond its financial, human and logistical capacities in efforts to relieve the plight of Syrian refugees.

66. It was crucial to build on the role of industry in securing the economic recovery of Lebanon. Industry must be in keeping with the environment, jobs must be created for young people, the economy must be modernized and Lebanon must become once again a crossroads for free trade in the Middle East region.

67. **Mr. Sánchez** (Spain) said that Spain was committed to multilateralism and was the sixth largest financial contributor to the United Nations system. It had cooperated with the United Nations Development Programme in the establishment of the Millennium Development Goals Achievement Fund, which had had a real impact on the lives of more than 20 million people in more than 50 countries, strengthening human rights and broadening opportunities.

68. The idea of development based on a partnership in which countries shared the costs and benefits of a more prosperous, stable, sustainable and inclusive world inspired the work of Spain on the definition of the new post-2015 development agenda. Spain supported the role assigned to inclusive and sustainable industrial development in that process by the Lima Declaration.

69. UNIDO had been a strategic partner of Spain in the field of industrial cooperation since they had signed a framework agreement for cooperation in 2004. That agreement had strengthened mutual cooperation to promote industrial and technological development. Projects implemented jointly under the agreement had benefited many countries on several continents.

70. Spain attached great importance to the Regional Programme for Latin America and the Caribbean, which was crucial to ensuring that UNIDO technical assistance matched the industrial development

priorities of the region. Work must be continued on projects initiated in the region with the support of Spain, such as the Renewable Energy Observatory for Latin America and the Caribbean, which helped the public and private sectors to mobilize the financial and technical resources necessary for the development and use of renewable energy, and the Industrial Knowledge Bank, which served 12 countries.

71. Spain was pleased to have contributed directly to projects for the development of women entrepreneurship in northern Morocco and the marketing of local textile projects in the Andean region. It had also funded various projects implemented by UNIDO under the Montreal Protocol, including a contribution of US\$ 1.4 million to ongoing projects in Libya and Mexico.

72. The availability of energy for productive activities remained a key objective for sustainable economic growth and, from 2010 to 2014, Spain had contributed US\$ 9 million to the Regional Centre for Renewable Energy and Energy Efficiency of the Economic Community of West African States (ECOWAS), in Cabo Verde.

73. International cooperation for inclusive and sustainable development in middle-income countries required specific treatment, and, from a financial point of view, would involve funds of a magnitude that could not be mobilized by traditional means.

74. The Millennium Development Goals Achievement Fund had been designed with the objective of strengthening the capacity of the United Nations system to act in an integrated and coherent way. In line with that, Spain was supporting and contributing to the Delivering as One initiative. Spain would also support UNIDO unconditionally as it sought to promote the overall coherence of the United Nations system.

75. **Mr. Vanderpuye** (Ghana), welcoming the theme of the Conference, said that UNIDO had once again demonstrated its wish to encourage countries to pursue their national industrial interests with a focus on the global economic environment. Its intervention was not only appropriate but timely as stakeholders in Member States continued to struggle to define the most appropriate strategies and frameworks for optimizing industrial gains in their national development endeavours.

76. The idea of embracing new paradigms that would tend to promote sustainable and inclusive growth among Members should be fully supported by all stakeholders. In the wider African context, actions that were required to accelerate industrialization included the urgent diversification of economies beyond natural resource extraction and agriculture. The case for diversification was more crucial today than ever before in view of the volatility of prices of commodities and other primary products on which most African countries relied. Diversification not only broadened the scope for employment creation, which led to poverty reduction, but also served as a buffer to a country's vulnerability against external shocks and promoted technological transfer and upgrading through foreign direct investment, thus ensuring stable and growth-prone economies.

77. Ghana appreciated the support of UNIDO and attested to the critical role that it had played in its economic development agenda. Ghana had struck oil in commercial quantities in 2007 and, at the request of the Government, UNIDO had organized a conference on competitiveness and diversification for petroleum-rich economies as a means of helping Ghana to adopt best practices in the oil and gas sector and to diversify its economy in order to avoid what had become known as the "resource curse". Ghana appreciated the support provided by UNIDO in the implementation of the Business Plan for the Pharmaceutical Manufacturing Plan for Africa and the continued support to Ghana's Cleaner Production Centre. UNIDO should continue to provide Member States with innovative and revolutionary industrial ideas and policy frameworks to enhance their effective integration into the global economy.

78. The appointment of an External Auditor for UNIDO for the period 2014-2016 was an important task facing the Conference. A number of countries, including Ghana, had proposed candidates for consideration as the next External Auditor of UNIDO. Ghana's candidate, Mr. Richard Quartey, the Auditor-General of the Audit Service of Ghana, was a chartered accountant and had been a member of Ghana's United Nations audit team. He therefore had hands-on experience in auditing the United Nations and could bring professionalism and dynamism to UNIDO if given a mandate as External Auditor.

79. **Mr. de Alba** (Mexico) said that Mexico welcomed the recent working visit of Mr. Li Yong to Mexico, which had made it possible for the country to obtain a greater awareness of his ideas and projects, and to identify how cooperation between UNIDO and Mexico could take place. The holding of the present General Conference session in the Latin America and Caribbean region highlighted the region's commitment to UNIDO and to international cooperation, including South-South cooperation, with the aim of promoting inclusive and sustainable industrial development.
80. The current session of the General Conference would be a watershed, and would strengthen the role of UNIDO in international development efforts. The Lima Declaration would give the mandate of UNIDO new vitality and enable the Organization actively to promote inclusive and sustainable industrial development and international industrial cooperation. He congratulated the Permanent Representative of Peru to the International Organizations in Vienna, Mr. García Revilla, on his leadership which had led to the successful conclusion of the negotiations leading up to the Lima Declaration.
81. Mexico recognized the importance of inclusive and sustainable industrial development as a key factor for achieving the MDGs and drawing up a post-2015 development agenda, which must include the eradication of poverty. There remained two years to achieve the goals that had been established in the year 2000. A binding agreement in the field of climate change was also needed, and Peru had an important role to play as host for the coming negotiations. It was essential that the way in which Member States were pursuing development should be changed fundamentally.
82. Mexico was committed to a model of sustainable production and consumption, with an approach involving the participation of both public and private actors in the establishment of an ambitious agenda.
83. Mexico reaffirmed its commitment to international cooperation, especially South-South and triangular cooperation. It had much to learn, but also a lot to offer in terms of industrial capacity. In that context, Mexico reaffirmed its support for the regional initiatives promoted by UNIDO and its commitment to the implementation of the Lima Declaration.
84. **Mr. Melan** (Austria) said that UNIDO was an important member of the United Nations Development Group and of particular importance to Austria as its host country. Through its mandate and work the Organization was making a major contribution to the attainment of the MDGs and to the eradication of poverty worldwide.
85. Nevertheless, UNIDO was facing some challenges that needed to be addressed. He therefore welcomed the outcome document of the informal working group on the future of UNIDO, entitled "Strategic Guidance Document", which contained a number of important measures both for the medium and the long term. The joint effort of the Member States to elaborate that reform proposal under the able guidance of Costa Rica and Switzerland was a clear sign of the relevance Member States attached to the Organization and the trust they placed in it. Austria therefore called on the Director General of UNIDO to build upon the proposals of Member States for the future of UNIDO.
86. Austria attached particular importance to the smooth and efficient functioning of the Organization. One precondition for that was a realistic budget that allowed UNIDO to fulfil the tasks mandated. He therefore welcomed the Industrial Development Board's adoption of the provisional budget for 2014 and 2015. The budget proposal represented a compromise to which UNIDO contributed through efficiency gains and cost-saving measures in its administration. Austria was pleased to have helped to reach that result through its chairmanship of the Programme and Budget Committee.
87. Regarding the future activities of UNIDO, Austria wished to underline the relevance of the concept of inclusive and sustainable industrial development, and welcomed the Organization's active involvement in the elaboration of the post-2015 development agenda and its efforts to ensure that the concept was properly reflected in the future development framework. The Lima Declaration sent an important and strong political signal in that direction.
88. In line with the Declaration and the support shown for the concept of inclusive and sustainable industrial development, Austria had decided to co-chair the Group of Friends for Inclusive and Sustainable Industrial Development in New York together with Ethiopia. That group of like-minded countries would

undertake a joint effort to ensure that the concept featured prominently in the post-2015 development agenda.

89. Austria and UNIDO had cooperated very successfully, particularly in the areas of cleaner production and renewable energy. In a globalized world with significant population growth, the sustainability of resources was becoming increasingly important. Access to reliable energy was one of the main prerequisites for sustainable development and allowed for the provision of health services, education, clean water and food security to billions of people. Without addressing sustainable energy, Member States would not be able to cope with the pressing needs of today. In that context, the partnership of UNIDO and Austria was of particular importance.

90. In May 2013, Austria, together with UNIDO and the International Institute for Applied Systems Analysis, had hosted the Vienna Energy Forum, the conclusions of which would serve as an essential input for the post-2015 development agenda. The Austrian Government had been the first bilateral donor to partner with ECOWAS on the establishment of an ECOWAS Centre for Renewable Energy and Energy Efficiency by signing a memorandum of understanding in 2009, which provided for both substantial start-up financing and technical expertise.

91. Austria had also signed a memorandum of understanding with the East African Community on the establishment of the East African Centre for Renewable Energy and Energy Efficiency, pledging 1 million euros, and had established and launched the first operational phase of the Caribbean Centre for Renewable Energy and Energy Efficiency. It would also support the preparatory work for the Pacific Centre for Renewable Energy and Energy Efficiency under the ongoing UNIDO project for scaling up renewable energy markets in the Pacific Islands region.

92. Austria welcomed the decision of the United Nations Secretary-General to establish the Office for Sustainable Energy in Vienna; the Centre would be able to profit from the presence of a number of energy-related organizations in the city, making Vienna a leading sustainable energy hub in the world.

93. Mr. Cisse (Mali) said that his country was emerging from a security and institutional crisis thanks to the assistance and solidarity of the international

community, including many of the least developed countries (LDCs). One of the reasons for that crisis had been the absence of development, and Mali supported the new concept of inclusive and sustainable industrial development, which would constitute a response to the many challenges faced by the country. Those challenges included the employment crisis, particularly affecting young people and women, the crisis in education and vocational training and the lack of basic infrastructure. To meet those challenges, the Government of Mali had begun defining a new vision for change, particularly in the industrial and mining sector, built around the recognition of the role of the State in fostering development in partnership with private initiatives. The goal was the integration of the industrial and mining sector with the rest of the country's economy through the development of skills, technical and technological innovation, the creation of new industrial enterprises, an increase in the competitiveness of existing enterprises and the development of subcontracting for the benefit of all communities across the country.

94. Mali sought the support of UNIDO and of the BRICS countries (Brazil, Russia, India, China and South Africa) and the establishment of a partnership between the LDCs and the industrialized countries. UNIDO should continue its activities aimed at developing and fostering SMEs, including through the creation of quality control mechanisms and the establishment of clusters.

95. Mr. Varga (Hungary) said that, over the last year, it had often been recalled that UNIDO was at a crossroads, which offered opportunities as well as challenges. With the smooth election of Mr. Li Yong as Director General and the finalization of the "Strategic Guidance Document" in June 2013, UNIDO was now on the right track. With the current adoption of the Lima Declaration, Member States had seized a crucial opportunity, and it was now up to Member States and the Secretariat to realize the goals specified in the Declaration.

96. Defining the strategy of development after 2015 was among the most important long-term multilateral agendas of today. The task was complex, but the mission was clear: to make the common development of Member States sustainable — which did not mean just protecting the environment. The mission was to ensure that countries' economies and societies would

serve their current populations and generations to come.

97. Hungary attached great importance to the issue of water and sanitation and, in October 2013, had organized the Budapest Water Summit in order to take stock of the various international developments in the field of water. That issue needed to be addressed in an integrated way to achieve human rights based social development, prosperity and ecological balance.

98. One of the outcomes of the Vienna Energy Forum had been the establishment of parallel targets for water and energy, and Hungary had organized a panel discussion about the nexus between water and energy in Vienna. UNIDO had a mandate in that field and should explore the possibility of cooperating with the EU and other organizations on that subject.

99. Hungary was actively working together with UNIDO in framing technical cooperation projects in line with the notion of inclusive and sustainable industrial development. Among the priorities were social inclusion and ensuring better living conditions for marginalized groups. Projects in the field of energy and the environment also had the potential to cut the employment gap and improve social and economic inclusion.

100. The post-2015 development agenda should reinforce the international community's commitment to poverty eradication and sustainable development, with inclusive and sustainable industrial development as a basic component. It should also prioritize a comprehensive economic transformation to eradicate extreme poverty and improve livelihoods.

101. As a co-chair of the open working group on sustainable development goals in Europe, Hungary would do its best to achieve a consensual and forward-looking formula as the outcome of the negotiation process.

102. The country's strong commitment to and confidence in UNIDO was demonstrated by the fact that it regularly voluntarily renounced its shares of unutilized balances in favour of UNIDO. The continued interest of Hungary in the Organization's affairs was also shown by its nomination of Mr. László Domokos, President of the State Audit Office of Hungary, for the post of External Auditor. Besides performing the standard task of auditing, Mr. Domokos and his team would contribute to the strategic goals of

UNIDO and foster accountability and transparency in its finances.

103. **Mr. Bortis** (Switzerland) said that the fifteenth session of the General Conference should take a close look at how UNIDO could successfully fulfil its mandate. The pressing challenges of reducing poverty and unemployment were still faced but there was also reason to put hope in the green economy and green industry. Strengthening industry and the private sector in developing countries and providing better integration into global markets remained of crucial importance to lifting the masses out of poverty. Switzerland had overcome poverty thanks to industrialization and trade and knew that development created jobs, generated income, made basic goods and services more accessible to consumers and thus improved living standards. It had also seen how industrial growth could be accompanied by environmental degradation, such as air and water pollution, and resource depletion, which put at risk the well-being of future generations.

104. Switzerland welcomed the recognition that future industrial development needed to be both inclusive and sustainable. Social inclusion and respect for planetary boundaries were key principles that would have to be reflected in the post-2015 development agenda. His country fully supported the participation of UNIDO in the agenda-setting process, and expected the Organization to align its activities with the outcome of that process.

105. UNIDO must take advantage of the opportunities presented by inclusive and sustainable development. New partnerships would be needed to make the vision of a green economy a reality. UNIDO had the necessary competence, structure and networks to be a valuable partner for institutions such as GEF, multilateral development banks and bilateral cooperation and development agencies.

106. Swiss development cooperation had long recognized the strengths of UNIDO, and Switzerland had cooperated with the Organization on a range of projects and programmes covering the three thematic priorities. One of the great successes of UNIDO was the cleaner production programme, which Switzerland was supporting. More than 50 national cleaner production centres had been created as part of the programme, which promoted innovation and technology transfer. The programme actively supported

businesses in their efforts to use resources more efficiently and be more competitive.

107. Another UNIDO success was its programme on trade capacity-building. Over recent decades, global trade had become a key element of economic prosperity for countries and sectors that had managed to integrate into global value chains. UNIDO, through its programme on capacity-building in development and application of standards and its programme to strengthen agricultural and industrial value chains, should continue to play a key role in the programme of aid for trade. UNIDO could help developing countries to benefit from global markets and international trade.

108. Switzerland intended to continue cooperation with UNIDO. The new UNIDO management deserved the trust of the Member States, and they must shoulder their responsibilities by providing the management with clear strategic guidance, without interfering in day-to-day business. The informal working group on the future of UNIDO had identified the strengths and weaknesses of UNIDO, and opportunities and threats, and had drawn up several recommendations, which appeared in the "Strategic Guidance Document" (IDB.41/24). While the Lima Declaration reflected Member States' political commitment and their vision for UNIDO, the "Strategic Guidance Document" would provide a more practical tool for the elaboration of a programming and budget framework. The two documents complemented one another perfectly.

109. In theory, UNIDO was ready to tackle future challenges, but in practice it depended on the commitment of Member States and on efficient cooperation between Member States, management and staff. It was time to give reality to the vision that had been agreed on and to work for inclusive and sustainable industrial development.

110. **Mr. Kafando** (Burkina Faso) said that the current session of the General Conference was being held in a difficult context. The economic, financial, environmental and energy crisis had shaken the foundations of Member States' economies and sometimes of Member States themselves. Progress that had been made in development was jeopardized and development goals such as the MDGs would doubtless take longer to achieve. Overcoming the crisis would require of leaders a clear political vision and a firm determination to realize it. Vigorous national industrial policies and sustained international cooperation would

be essential components. The relevance of such an approach was evinced by the growth in UNIDO cooperation and the steadily growing demand from States for such cooperation during 2011 and 2012. UNIDO was to be commended for maintaining its leading role in that area and encouraged to continue to provide its unique expertise. The Lima Declaration would be the ideal route map for the task and for developing the post-2015 development agenda.

111. UNIDO was particularly relevant to Africa because it was in that continent that progress towards achieving the MDGs was weakest. Africa would closely follow the implementation of the innovative approach proposed by UNIDO in its new operational strategy for Africa. Africa's needs were real and its expectations were high, particularly as it included the largest number of LDCs. For that reason, his country called for the diligent and efficient implementation of the main provisions of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020.

112. Burkina Faso was in the process of implementing a new country programme, which was based on the principles of ownership and dialogue and which would be a fundamental component of the Strategy for Accelerated Growth and Sustainable Development, the Burkina Faso development framework. As an agricultural country, Burkina Faso had high hopes for the country programme, particularly in the areas of agribusiness and agro-industry. Jobs, capacity-building, investment promotion, growth and the fight against poverty were the main themes of the programme. He appealed to all his country's development partners to support the programme, just as they had done previously, for which his country was most grateful.

113. Burkina Faso had adopted new policies and introduced the necessary reforms to create the conditions for sustainable and balanced development. They included the establishment of a permanent and inclusive dialogue between the Government and the private sector, the improvement of the business environment, including the legal framework for business and wealth creation, support for SMEs, measures to tackle rising costs of living and to enhance purchasing power and support for the energy sector.

114. Interdependence and international solidarity were no longer optional. With globalization, there was no other choice but to reinforce international cooperation.

It was the responsibility of Member States to give UNIDO the necessary resources. In that context, human capital would be crucial.

115. **Mr. Voronkov** (Russian Federation) said the fact that the fifteenth session of the General Conference was being held outside Vienna emphasized the significance and demands of industrial development and symbolized the global role that UNIDO played in the technical and expert cooperation that States needed.

116. The Lima Declaration was important for defining the future of the Organization and its main areas of development and underlined Member States' firm political support for UNIDO and the relevance of the Organization's mandate. It highlighted the significance of the work that the Organization had already been doing for several decades.

117. At the heart of the Lima Declaration was the postulate that inclusive and sustainable industrial development was an important factor for economic growth, job creation and improvement of well-being and quality of life. That was where the expertise of UNIDO lay. His country was confident that the role of UNIDO in that process would be appropriately recognized in the decisions taken by the United Nations General Assembly on the post-2015 development agenda.

118. UNIDO helped develop the industrial policies of its Member States and provided a forum for introducing innovative ideas for industrial development. The Organization played an important role in the implementation of industrial and technological cooperation locally, nationally and regionally, and that constituted the added value of UNIDO, especially in the current uncertain times for global economic and financial systems.

119. UNIDO was not without its problems. The withdrawal of several States from the Organization in recent years was a trend that needed to be reversed. UNIDO needed to be prevented from drifting into the periphery of the United Nations system. The Russian Federation welcomed the efforts of the UNIDO management and of the new Director General to increase the effectiveness of the Organization's work, stabilize its financial situation and foster a sense of involvement of Member States both in the work of the Organization and in the work of the Secretariat.

120. Cooperation between UNIDO and the Russian Federation had reached new heights over recent years and they shared a genuine partnership. What was important was not only the significant growth in the proportion of the regular budget provided by the Russian Federation but also the fact that the Russian Federation was one of the largest donors to the Industrial Development Fund. Using funds from the annual voluntary contribution, UNIDO successfully implemented projects in such important fields as technology transfer, attracting investment, training specialists, creating a base of experts in statistics, developing agro-industry, recycling industrial waste and developing environmentally-friendly production. His country was confident that the Organization's leadership would outline future areas for attention, taking particular consideration of the needs of the Commonwealth of Independent States region.

121. With respect to UNIDO development opportunities in technological cooperation, one of the most important fields of work of the Organization, the Russian Federation wished to reiterate its willingness to take all necessary steps to enhance the organizational, financial, expert and human resources capacity of UNIDO.

The meeting rose at 1.20 p.m.



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Summary record of the 4th meeting

Held at the Westin Lima Hotel and Convention Center, Lima, on Tuesday, 3 December 2013, at 3 p.m.

President: Mr. Varga-Koritar (Vice-President).....(Hungary)

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The meeting was called to order at 3.15 p.m.

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- (a) **Scale of assessments of Member States** (*continued*) (IDB.41/6/Rev.1; IDB.41/Dec.9)
- (b) **Financial situation of UNIDO** (*continued*) (GC.15/11 and GC.15/14; GC.15/CRP.1 and CRP.2)
- (c) **Working Capital Fund** (*continued*) (IDB.41/7; IDB.41/Dec.10)
- (d) **Financial regulations** (*continued*) (IDB.41/14; IDB.41/Dec.11)
- (e) **Appointment of an External Auditor** (*continued*) (GC.15/12; IDB.41/15)

Programme and budgets, 2014-2015 (*continued*) (IDB.41/5 and Add.1; IDB.41/Dec.12)

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Matters related to intergovernmental, non-governmental, governmental and other organizations (*continued*) (GC.15/10)

Date and place of the sixteenth session (*continued*)

1. Mr. Aviram (Israel) said that his country remained steadfast in its commitment to continued cooperation with UNIDO. He commended the Organization's five-pillar initiative, which led to a stronger focus on inclusive, sustainable and resilient economic and industrial growth. The 2012 annual report showed that, overall, UNIDO had achieved success, but there remained many obstacles to the eradication of worldwide poverty. Israel supported the Organization's vision of establishing a development model that placed the emphasis on greater industrialization and job creation, especially for women and young people. UNIDO should be commended on being at the forefront of implementing United Nations gender-related decisions.

2. He recalled that the Israeli Agency for International Development Cooperation (MASHAV) had been working since 1958 with developing and middle-income countries through targeted technical cooperation, capacity-building, training, technology transfer and advisory services, in such areas as agribusiness, value chain financing, drip irrigation, water management, water technology and energy efficiency. One aspect of the collaboration between MASHAV and UNIDO was a capacity-building seminar conducted in Israel on agribusiness as a tool for the empowerment of women, the aim being to help establish small and medium-sized enterprises in rural areas. The seminar had brought together professionals from Ethiopia, Kenya, South Sudan, the United Republic of Tanzania and Uganda, where participants

had networked and been made aware of the Organization's long-term strategies.

3. Israel had also cooperated with UNIDO on the implementation of General Assembly resolution 67/202, initiated by Israel and entitled "Entrepreneurship for development", and on an initiative in West Africa focusing on the critical role played by entrepreneurship in promoting employment among women and young people.

4. In view of the importance of renewable energy, MASHAV and UNIDO had held a joint training workshop in Israel on clean and efficient energy. A number of Israeli manufacturing associations had, moreover, joined the Organization's Green Energy Platform. In addition, a keynote speaker from UNIDO had addressed the Water Technology and Environment Control Exhibition and Conference (WATEC), held in Israel in October 2013.

5. Israel supported the idea of making inclusive and sustainable industrial development a universal goal. The contribution of UNIDO to that process was invaluable. Israel also welcomed the "Strategic Guidance Document" produced by the informal working group on the future, including programmes and resources, of UNIDO.

6. UNIDO and MASHAV would continue to collaborate with countries in the developing world and middle-income countries while respecting the right of each country to determine its own development strategies. Israel looked forward to widening its collaboration with UNIDO field offices and forging new partnerships to foster institutional capacity, sharing best practices and engaging in technology transfer with Governments, international organizations, financial institutions, the private sector, academia and civil society.

7. Israel welcomed the adoption of the Lima Declaration. Just as the Lima Declaration of 1975 had paved the way to broad international cooperation, the recently adopted Declaration would pave the way to a more innovative and effective UNIDO in the global fight to eradicate poverty.

8. **Ms. Dry** (South Africa) said that her country looked forward to continued close cooperation with UNIDO. It associated itself with the statements of the African Group and the Group of 77 and China.

9. The current global economic and financial situation and the global growth forecasts in key economies continued to have a negative impact on the gains made by developing countries that sought to achieve sustainable development. The international community should join hands to seek new approaches to lifting the global economy. UNIDO should be at the forefront of efforts to harness industry in the endeavour to return the global economy to a sustained growth path.

10. As a continent whose economic structure was mostly commodity-based, Africa must foster a development trajectory based on adding value to its agricultural produce and minerals. Through the Conference of African Ministers of Industry (CAMI), Africa had prioritized the production of renewable energy equipment and technologies as part of its contribution to facilitating access to clean and renewable energy for productive use. The meeting of CAMI in Kenya in June 2013 had also discussed Africa's industrial development and highlighted industrialization as a key factor in the development process. UNIDO, as the agency responsible for promoting and accelerating industrial development, should ensure that its programmes were aligned to the strategic priorities of recipient countries. It should also provide greater assistance to the continent's regional economic integration agenda.

11. As the world prepared for the launch of the intergovernmental process of the post-2015 development agenda, South Africa welcomed the Organization's efforts to ensure the integration of inclusive and sustainable industrial development into the new global development framework. Industrialization, and manufacturing in particular, was central to that. The three dimensions of sustainable development must be addressed in a balanced and integrated manner. Moreover, the Rio Principles, particularly that of common but differentiated responsibilities, should be firmly rooted in that framework, given that countries had different starting points, national priorities and regional circumstances.

12. South Africa was making every effort to foster economic growth. The Industrial Policy Action Plan 2013/2014-2015/2016 had been released with the goal of preventing industrial decline and supporting the growth and diversification of the country's manufacturing sector. Manufacturing could

undoubtedly generate significant job creation, both directly and indirectly. The country's cooperation with UNIDO had been very effective, especially with regard to capacity-building.

13. Her delegation welcomed the outcome of the work of the informal working group on the future, including programmes and resources, of UNIDO. She trusted that the current session would lead to the revitalization of UNIDO as a critical partner in the promotion of inclusive and sustainable industrial development. South Africa pledged its support for the Organization's efforts to extend South-South, North-South and triangular cooperation.

14. **Mr. Fukukawa** (Japan), after noting that 2013 marked the 140th anniversary of the establishment of diplomatic relations between Peru and Japan, and thus the longest relationship connecting Latin America and Asia, commended the proactive approach adopted by the Director General to addressing the development challenges facing Member States. It was important to define the role of UNIDO in a changing environment and identify its strengths. In that context, his delegation welcomed the Lima Declaration. It also appreciated the work of the informal working group on the future, including programmes and resources, of UNIDO and welcomed its outcome document. The concept of inclusive and sustainable industrial development would guide UNIDO in the coming years. Japan, as the Organization's largest donor, had provided active support, shouldering more than 19 per cent of assessed contributions.

15. Japan supported the efforts of UNIDO to assist developing countries in securing resource-efficient low-carbon growth for sustainable industrial development. UNIDO had provided valuable input at the Tokyo International Conference on African Development (TICAD) V, where the TICAD Strategy for Low-Carbon Growth and Climate Resilient Development had been discussed. Japan was cooperating with UNIDO to implement projects in some African countries. It was also promoting the East Asia Low-Carbon Growth Partnership, in close cooperation with UNIDO. In that connection, he drew attention to his country's recent contribution of US\$ 5.6 million to the promotion and dissemination of low-carbon technologies in developing countries. The agreement signed between UNIDO and the Japanese city of Kitakyushu, promoting the transfer of

environmental technology and recycling know-how to developing countries at the local government level, provided the model of a partnership that would bring long-term benefits to all those involved.

16. At a time of recurring food crises and high demand for agricultural commodities, agribusiness appeared to be a reliable engine of inclusive and sustainable growth. Adding value to primary commodities was essential to the promotion of sustainable sources of income and employment. Capacity-building and the empowerment of people, especially socially vulnerable groups such as young people and women, were vital for inclusive and sustainable industrial development. Providing both individuals and communities with opportunities to those ends was the aim of UNIDO projects funded by Japan in the area of agribusiness. Indeed, Japan had funded 16 projects worth a total of US\$ 34 million through the Human Security Fund. It had also contributed over US\$ 20 million since 2010 to vocational training projects, most of them focusing on Africa.

17. In view of the long-standing relationship between Japan and Peru, the two Governments had agreed and implemented a variety of cooperation projects, including the enhancement and empowerment of human resources, agro-industrial development and the construction of infrastructure such as water supply, sewerage and irrigation. Moreover, Japan had advanced a total of US\$ 343 million in six large-scale projects of official development assistance loans and two grant aid projects that had financed the construction of the Peru-Japan Friendship National Institute of Rehabilitation and the New Macara International Bridge over the border between Peru and Ecuador. Four further grant aid projects would contribute to disaster prevention and environmental countermeasures. Moreover, the number of Japan Overseas Cooperation Volunteers had been doubled over the past two years.

18. Japan believed that UNIDO was well-advised to focus its efforts on illustrating the impact achieved through its technical cooperation activities, which had reached US\$ 138.5 million by the third quarter of 2013. Publicizing the success of technical cooperation projects was of the utmost importance for the funding of new activities. It was important for UNIDO to expand its partnerships and to increase its coordination

with other international organizations, including financial institutions, so that activities complemented each other and duplication or fragmentation of assistance was avoided.

19. The information provided to date indicated that the Organization's Programme for Change and Organizational Renewal would bear tangible results in the form of better monitoring, transparency and efficiency. The Secretariat should keep Member States informed of the status of implementation of the Programme.

20. Japan had accepted the budget for 2014-2015, but it adhered to the principle that the withdrawal of any Member State should not be compensated for by increasing contributions from remaining Member States. The Director General should actively pursue additional efficiency gains and cost savings. He should also communicate with the International Civil Service Commission to take into consideration the financial situation of UNIDO and its Member States in the course of its comprehensive review, underlining the importance of the financial outcome of the review for UNIDO.

21. Although the collection rate of assessed contributions had reached 84.7 per cent as at the end of September 2013, that percentage remained below the figure achieved the previous year. In the interest of financial stability, Japan urged Member States to pay their allocated assessed contributions immediately and encouraged the Secretariat to increase the collection rate.

22. **Ms. Antillon Guerrero** (Costa Rica) said that, at the High-Level Conference of Middle-Income Countries, held in San José in June 2013 and attended by 84 delegations, it had been agreed that the middle-income countries should work together to follow up and establish best practices. Costa Rica itself had made good progress: it had invested 8 per cent of gross domestic product (GDP) in education, ensured that 48 per cent of its territory was environmentally protected and invested in health care. Moreover, its products were available on the international market, it had good levels of foreign direct investment and it respected workers' rights. It was committed to being a democracy that strove for development, and believed in economic inclusion, entrepreneurship and the development of talent and knowledge. The key to new industrial development, however, was innovation.

23. The San José Declaration should set out clear guidelines, so that middle-income countries could fulfil the Director General's appeal for inclusive and sustainable development. Such countries might need to find new ways forward for their development and strengthen the areas in which they had advantages. Public-private partnerships and interregional alliances could assist them in those efforts. Middle-income countries should show solidarity with each other, respecting the different levels of development achieved, and ensure that their young people had the opportunity to launch their own businesses or find decent jobs. There must be clearly defined goals, so that women could be economically independent and emerge from the subsistence levels in which many of them remained.

24. Since UNIDO was the best forum for middle-income countries, she hoped that delegations would support the San José Declaration. In the future, middle-income countries could build on their development, forming strong industries, with more beneficiaries. Within UNIDO they could contribute to the goal of poverty reduction.

25. **Mr. Cabactulan** (Philippines) expressed his delegation's gratitude for the international response, with both financial and logistical assistance, to the havoc caused by typhoon Yolanda, internationally known as Haiyan. With the support that had flowed in from the international community — Governments, the United Nations, international and non-governmental organizations and the private sector — the Philippines would overcome its latest national tragedy and move swiftly forward.

26. The performance of dynamic economies in different parts of the world was strong evidence of the importance of industrialization in driving economic expansion and the development process. His delegation therefore welcomed the adoption of the Lima Declaration, following its predecessor 38 years earlier, which had affirmed the role of industry as a crucial instrument of economic and social development.

27. Invited to participate in the consultative process of the post-2015 development agenda, the Philippines had identified five pillars in addressing its development challenges: poverty reduction and social inclusion; environmental sustainability, climate change and disaster risk management; accountable, responsive and participatory governance; a fair and stable order

based on the international rule of law; and peace and security.

28. The economy had experienced unprecedented growth of over 7 per cent in the last four quarters. The Philippines had also won three investment-grade ratings and was considered a growth engine in the region.

29. A significant aspect of the Philippines' cooperation with UNIDO related to the thematic priority of sustainable production and industrial resource efficiency. For example, UNIDO was a partner in the country's Industrial Energy Efficiency Programme, applying the International Organization for Standardization (ISO) 50001 energy management standard. The Philippines also continued to phase out hydrochlorofluorocarbons (HCFCs). In 2013, it had begun to implement a project to improve the health and environment of artisanal gold mining communities in the Philippines by reducing mercury with support from the Global Environment Facility and in partnership with a non-governmental organization, Ban Toxics! UNIDO had the expertise to help Member States to address the environmental hazards associated with industry and thus contribute to global efforts to tackle climate change.

30. The Philippines was proud to be one of the earliest supporters of the Green Industry Initiative and the Green Industry Platform, which helped global industry to improve its environmental performance.

31. **Ms. Cutie Cancino** (Cuba) said that industrial and technological development must be accompanied by appropriate action on the part of Governments to protect the environment, avoid growing pollution and achieve real and sustainable social benefits. The right to development was a human right. It was therefore important to increase international cooperation on the basis of multilateralism, impartiality and an unconditional approach. Cuba was convinced that the only way to achieve sustainable development in tune with nature would be through a substantial change in the patterns of production and consumption that were predominant in developed countries and were imposed on the rest of the world through the mistaken policy of globalization.

32. Although industry played a basic role in a country's development, any progress was inevitably predicated on the specific conditions in each country

and its economic and social system. The process of acquiring industrial technology should take place in a systematic and effective manner, and viability assessments should especially address the crucial factors of industrial activity, such as energy, water and raw materials. In that connection, Cuba had recently, as part of the upgrading of its economic model, established the Mariel Special Development Zone, which continued to contribute to industrial development, generate exports and promote the import substitution process, further technology transfer, attract proper investment and promote environmental sustainability. It was a measure that enabled both national and foreign companies to be given special treatment, including tax and customs incentives. Priority was given to industrial, agricultural, metalwork and tourism projects, but also any kind of activity permitted under Cuban law that used clean technology and produced goods and services with added value based on knowledge and innovation. At the same time, bearing in mind the spirit of the Charter of the United Nations, the development agenda and a recent decision by the General Assembly, Cuba reiterated the need to lift immediately the economic, financial and trade blockade imposed by the Government of the United States of America, which had, for more than 50 years, been severely detrimental to the industrial, technological and social development of Cuba.

33. Regional integration played an important role in industrial development. Cuba welcomed initiatives within the Community of Latin American and Caribbean States (CELAC) to promote dialogue among ministers of industry and shape industrial policy at the regional level, in addition to new economic, financial and taxation measures to encourage industrial activity, innovation and technological development. In that connection, the Conference of Ministers of Industry of the region was useful in developing the post-2015 development agenda. The Conference should be tied in more closely with CELAC meetings in order to avoid duplicating activities or investment of financial resources. However, States could not on their own achieve industrial, economic or social development in tune with the environment. Extensive international cooperation was required, together with a renewed political commitment to the attainment of internationally agreed goals, especially with regard to official development assistance.

34. Innovative capacity and technological development in industry should be strengthened through the introduction of proper infrastructure and closer ties with universities and scientific bodies, which would lead to new and improved goods and services and more efficient and competitive procedures. UNIDO could make an important contribution by strengthening national capacities, especially in developing countries, to promote industrial activity and economic development, with the emphasis on technological innovation. It could also train staff and promote cooperation among Member States with a view to harmonizing industrial practices, protecting the environment and reducing poverty and inequality in all UNIDO programmes and activities.

35. The first international convention on Cuban industry, CUBAININDUSTRIA, would be held in Cuba from 23 to 27 June 2014 and she invited the delegations present to join in discussions on the current state of industry. Cuba would continue to work for a coherent industrial, environmental, social and economic policy that would fulfil the legitimate right to development. UNIDO could and must contribute to that endeavour.

Interregional debate 1: "Green industry and sustainable development"

36. An interactive discussion was held on green industry and sustainable development. The moderator, Mr. Paul Hohnen, founder of Sustainability Strategies, introduced the panellists: Ms. Chunhong Chen, Chairwoman and Chief Executive Officer, Yiyuan (Shanghai) Environmental Group Co., Ltd.; Mr. Hans-Peter Egler, Head of Trade Promotion, State Secretariat for Economic Affairs, Switzerland; Mr. Sergio Thiesen, Managing Director for Latin America, Braskem; and Mr. Le Hoai Trung, Permanent Representative of Viet Nam to the United Nations.

37. The moderator said that it was clear from the third Green Industry Conference held in Guangzhou, China, in November 2013, the High-Level Conference of Middle-Income Countries and other meetings relating to green industry and sustainable development that green industry would sooner or later come into its own; although countries might start in different places, they were all heading in the same direction. The timing was critical in view of the post-2015 agenda and the ending of the global recession. It was the ideal moment

for Governments and companies to undertake the move to green industry. A flexible approach would be required: countries and companies should adopt the strategy best suited to them. Lastly, partnership was crucial: no one entity could act on its own. He noted, in that connection, that all the panellists were associated with the Green Industry Platform.

38. A video message recorded for the debate by Mr. Janez Potočnik, European Commissioner for the Environment, was screened. In the message, Mr. Potočnik stressed the importance of working with nature and expressed the hope that emerging economies would follow a sustainable path from the outset. The problem faced by industrialized economies was that they still revolved around processes introduced when natural resources had been abundant and cheap. With water and raw materials under increasing pressure, green economies could address the challenges facing them by encouraging restructuring, protecting the environment and improving social well-being. Industry would drive that process forward. Companies needed to change how they delivered and captured value by introducing more efficient production processes. Investment in innovation and technology was required and new partnerships should be formed across sectors and countries. Policymakers must help by providing direction, since market forces were excessively slow and adopted a short-term approach. The aim of the European Union was to build predictability, and the best way to do so was to create more partnerships for sustainable growth.

39. The moderator invited the panellists to describe the steps they had taken to create the enabling environment that was so critical to green industry.

40. Mr. Trung said that the Government of Viet Nam, having recognized that green and sustainable industry was essential in order to make the country more competitive, had adopted a number of laws and national strategies on energy, sustainable development and green growth, which it had implemented in partnership with UNIDO, the European Union, Japan, the Republic of Korea and others. A number of pilot projects had also been set up and had produced practical benefits.

41. Mr. Egler said that while Switzerland did not have an industrial policy, preferring to take a liberal approach, it had established a sustainability strategy in 1992 that was still in place. The country was resource-

limited and highly populated, so it faced a large number of environmental issues, especially with regard to water management and waste water treatment. Both industry and the population as a whole had had to learn new practices. That process was market-led and geared to a voluntary approach. Switzerland was seeking to reduce the ecological footprint of its imports and economic activities abroad by elaborating legislation to address ways in which companies could assess their value chains and act responsibly with regard to their imports.

42. The moderator asked Ms. Chen what the driver of green industry had been in her case. She responded that she had set up her company in an effort to address the wasting and pollution of water at a time of growing scarcity of water resources. The company's aim was to reduce the discharge of waste water through the use of water-saving lavatories. While some discharge was produced by the production of porcelain, the company was seeking better materials for use in the manufacture of lavatories, and was developing a new business model with a water conservation ratio of 90 per cent.

43. Asked whether she had been influenced by the regulatory environment to achieve Millennium Development Goals or other targets, she said that the Government of China had promulgated stricter laws and regulations on energy efficiency and had set aside funds to subsidize pollution control and work on the management and saving of water. Her company was therefore affected.

44. Mr. Thiesen said that Braskem, a Brazilian company and the largest producer of polymers in the Americas, was committed to the transformation and development of the chemical industry and intended to be the global leader in the manufacture of sustainable chemicals, and to contribute to the solution of social and environmental problems. At the company level, it tried to inspire its staff to come up with new ideas on the use of more sustainable resources, a more efficient use of resources and, more generally, a more sustainable use of plastics, involving reusing and recycling.

45. Braskem was the world leader in the production of biopolymers, thermoplastic resins made from renewable raw materials. It was also making green polyethylene from ethanol produced from sugar cane, which was a renewable resource. The product was making a global impact. Several companies already

used green polymers to make consumer goods, but the production of green polyethylene actually removed carbon dioxide from the atmosphere.

46. Asked what policies would help the company, he said that in Brazil Braskem obtained ethanol at a low price. More Government help would, however, be useful.

47. The moderator said that the international community should decide on criteria for measuring progress, whether in relation to waste, emissions, efficiency or other standards. Mr. Egler said that a structure of that kind would be useful. Most importantly, there should be a system in place to report on progress made through the use of fewer resources or greater efficiency. Reporting systems were needed both at the national level, involving companies, non-governmental organizations and universities, and at the international level, so that countries could learn from one another.

48. Mr. Trung said that, under the pressure of competition, the emerging economies in South-East Asia were all moving towards sustainability. It was more efficient to use less energy. As for the question of reporting, the indicators of those using clean energies should be shared and the amount of investment as a proportion of GDP should be disclosed. That would reveal energy costs and, consequently, production costs. He was sure that green technology saved money.

49. Mr. Thiesen said that Braskem was very open about its activities. It had kept its data from the outset and so was able to state that, since 2002, it had reduced solid waste generation by 61 per cent, waste water generation by 39 per cent and energy consumption by 11 per cent.

50. Ms. Chen said that much of the research and development involved in her company related to the porcelain that was used. The company engaged in extensive cooperation with the relevant manufacturers, most of which were in China.

51. Mr. Trung added that more use should be made of both incentives and market mechanisms. Moreover, unless environmental regulations were in place, a country could find itself becoming a dumping ground. If Governments ensured that there were proper standards, there would be a higher level of production and technology.

52. The moderator said that leading companies understood that prices were rising and that efficiency was needed. They were also very conservative, however, and he wondered what frameworks were provided to bring them into the debate. Mr. Trung suggested a number of simple steps that could be taken: first, awareness of new technology should be promoted; secondly, companies should be shown that simple measures could help to save energy, which in turn made the industry concerned more competitive; and Governments could set up pilot schemes and share the resulting experiences.

53. Mr. Egler said that the platform for information and experience exchange was relatively effective in Switzerland. The most important issue was the supply chain as a whole. Switzerland had adopted the multi-stakeholder approach: all parties should come together to decide criteria on how to train farmers or producers, for example, so that they could comply with green requirements. Governments could be proactive, joining forces with companies and helping them to lower costs by using local service providers. Such measures would facilitate the sustainable growth of the global supply chain. There was still significant potential for the implementation of cleaner production, particularly in developing countries.

54. Asked how Switzerland was establishing voluntary standard-setting, he said that the country had started setting standards as long ago as 2000 to promote sustainable consumption and production. One motive was to give representatives of developing countries a voice, so that standards were in line with the specific conditions in those countries. Once a standard was set, a country could be helped to implement it. Impact assessment was also important, so Switzerland financed extensive impact studies on implementation. Standards were, after all, simply the means to achieve the goals of sustainability.

55. Mr. Thiesen said that no company could achieve sustainability on its own. It was important to find a way of sharing risk and consolidating sustainability through dialogue. Panel discussions of the kind they were currently conducting could be extremely useful. Meanwhile, every company could make its own contribution.

56. Mr. Egler said that it was crucial for all parties to work together. Green industry was the first step, but industries must team up in sectors and understand how

the value chain really worked. Local companies should be incorporated in the value chain so that they could learn from larger, multinational companies.

57. Mr. Trung said that the Green Industry Platform should identify the difficulties facing developing countries and provide know-how with regard to regulations to overcome those difficulties. Relationships between greener production centres should be strengthened.

58. Ms. Chen said that greater use should be made of incentives and penalties. For example, preference in Government procurement could be given to companies that complied with green regulations.

59. The moderator said that he was struck that, in every country, the discussion of green issues originated with the business community rather than with Governments. Companies everywhere were embedding green industry into their plans.

Interregional debate 2: "Job strategies for inclusive and sustainable development"

60. An interactive discussion was held on job strategies for inclusive and sustainable development. The moderator was Mr. Todd Benjamin, former CNN anchor and correspondent, and the panellists were: Mr. Ayman Ismail Soliman, Chairman and Chief Executive Officer of DMG/Mountain View; Mr. Néstor Osorio Londoño, Permanent Representative of Colombia to the United Nations and President of the Economic and Social Council (ECOSOC); Mr. José Antonio Ocampo, Professor at the School of International and Public Affairs, Columbia University, and Chair of the Committee for Development Policy of ECOSOC; and Mr. Jan Wouters, Professor of International Law and International Organizations at the University of Leuven.

61. The moderator said that the discussion would be based on the *UNIDO Industrial Development Report 2013*, entitled "Sustaining employment growth: the role of manufacturing and structural change", which would shortly be officially released, and he invited Mr. Augusto Luis Alcorta, Director of the Development Policy, Statistics and Research Branch, to introduce the report.

62. Mr. Alcorta said that he and his fellow authors had decided two years previously that it was important for both developed and developing countries to

understand the role of industry in employment generation. The report examined global trends in changes to industrial structures and employment generation, what drove those changes, the policies that would help to enhance employment generation and the role of international organizations in helping to generate employment.

63. A number of findings had emerged. A comparison of tables showing the annual growth rate of GDP per capita and average growth in the share of manufacturing in terms of GDP showed a significant correlation between the two. Secondly, it was sometimes argued that employment was generated only by services rather than manufacturing, but, by 2009, 471 million jobs had been generated worldwide by manufacturing and its related services. Around 95 million jobs had been created in services related directly to manufacturing. Manufacturing had accounted for 16.3 per cent of global employment in 2009.

64. It was a common perception that jobs were moving away from the United States and other industrialized countries to China, Viet Nam, Cambodia or Mexico. That was true, up to a point, but not as much as had been expected. Moreover, the nature of employment in developed countries was changing. Some 20 million jobs had been lost since 1970 in the developed countries, but that applied mostly to countries of the former Soviet Union and Eastern Europe, while developing countries had gained 100 million jobs. He noted that, in 1995, manufacturing services had accounted for 24 per cent of jobs in developed countries (in such fields as research and development, marketing and logistics), that figure reaching 29 per cent by 2009. Thus, although the developed countries had lost productive jobs, they had gained employment requiring more skills and education. In the chemical industry, for example, nearly half of all jobs had been generated by manufacturing-related services by 2009.

65. For the least developed countries (LDCs), the food industry, agro-industry and the textiles and garments sector had immense potential, since they generated growth in output, employment and productivity. The challenge for middle-income countries was to shift industries away from textiles and garments and into basic metals or plastic, because such industries generated increased productivity and more

resources for future investment. Developed countries, meanwhile, should move into chemicals, electronics, machinery and equipment; there was no future in textiles or clothes for such countries.

66. Industrial structural change and employment generation were driven not only by wages but also by technological innovation. However, the impact of such drivers was ambiguous, sometimes helping to generate employment and sometimes not, appearing to depend on the industrial policies adopted by the country concerned. The introduction of new machinery reduced employment whereas innovation generated it by producing new products and thus creating new industries. Governments should therefore promote investment in innovation. He also emphasized that government efforts should focus on industrial structural change: employment was generated more by working on the drivers than by acting directly on unemployment. Government should identify which drivers were applicable in their own countries and act on them. International cooperation also had a significant role to play in addressing those drivers.

67. The moderator invited the panellists to consider whether countries' success in industrialization depended on their industrialization policies.

68. Mr. Soliman said that manufacturing employment accounted for 16-18 per cent of jobs on average, but in some countries that figure was as high as 35 per cent. The way in which success was achieved varied. China, for example, had not moved into manufacturing fast but rather had approached it one step at a time. With the dawn of a new age, however, in which technology was taking over many jobs, it was a perfect time for the developing world to industrialize.

69. The more Governments exercised control and intervention, the less room there was for development. An environment for the creation of businesses — and thus employment — should be facilitated. A State governed by the rule of law was also essential.

70. Mr. Ocampo said that all countries should seek to upgrade their structures, regardless of their level of development. Middle-income countries needed to increase their activities involving technology and developed countries to increase their high-tech activities. The two relevant factors were education in science and technology. A framework for public-private cooperation was also required.

71. Mr. Wouters concurred. He had done much work with UNIDO on the Networks for Prosperity initiative, trying to map the connectedness of countries and assessing how much they participated in international treaties or organizations. There was a close correlation between a country's degree of connectedness and its economic development. A facilitating environment was important, but so was compatibility with the international regulatory framework and standards.
72. The moderator asked what kind of formulation and implementation processes needed to be in place in order to elaborate policies for structural change.
73. Mr. Soliman said that it was crucial that the role of business should change. Profits were rocketing in the developed world, but wages as a percentage of GDP were decreasing. Eventually, the market would start shrinking, because there were fewer buyers. The task for UNIDO and academia was how to encourage the business world to see itself differently. For example, Germany had pushed many businesses into the green economy by keeping taxes down and, as a result, technology had been boosted and businesses had made money. Paying employees more was one answer, but businesses could also address social needs. By providing computer training, for example, businesses could cultivate markets for their own benefit.
74. Mr. Ocampo said that, before formulating their policies, Governments must identify their country's needs and advantages. In addition, policymakers must understand how to use international instruments to shape national policy, and countries should engage in constant structural change through dialogue with the private sector. The best instruments for progress were not ministries, which were too political, but development banks, which could provide both finance and strategic thinking.
75. The moderator asked how the joint efforts of policymakers and the private sector could prepare for the skills development of the labour force and what incentives should be offered to the private sector.
76. Mr. Soliman said that the first requirement was vision. Only then should an incentive programme be introduced. Businesses sought stability. They should seek partnerships with civil society and guide Governments in facilitating business activities. Mr. Ocampo said that the State should take responsibility for the education system and the private sector for technical education; the private sector should also support universities. Mr. Wouters said that there was a need for consultative structures similar to those established in Europe at both the national and the regional level.
77. When asked to elaborate on the new role for the private sector, the panellists said that Governments should enlist the support of the private sector in such areas as green energy; the Government of India, for example, by encouraging the use of mobile phones in the fishing market, had eliminated waste and boosted profits. Businesses should fulfil their social responsibilities by engaging in activities that also benefited them; for example, the PepsiCo company, after successfully adapting one of its plants in India to use rainwater in the production of Pepsi, had been able to extend the process to other countries. Countries that produced commodities should always seek to add value. However, more action was required by developed countries to level the playing field.
78. The moderator asked how many members of the audience came from countries with abundant natural resources, how many countries were promoting industrialization and how many representatives felt that that process was a success. He noted that, although hands had been raised in response to the first two questions, no-one had claimed success.
79. Mr. Alcorta said that two fundamental difficulties had to be addressed. First, if a country's currency was overvalued, no industrialization policy could work. Secondly, countries should develop other skills that were complementary to the industrialization process. It was also essential that the price of raw materials produced locally should be the same domestically and internationally, so that there was an incentive to process them in the developing country itself. In many cases, multinational companies had to be encouraged by Governments to buy locally rather than internationally, because their instinct was to link up with their global networks.
80. Mr. Soliman concurred: multinationals did indeed leverage influence to buy commodities. Governments should thus provide incentives for adding value to raw materials. Multinational companies would react quickly and acquire local suppliers.
81. Mr. Wouters said that his research into the relationship between foreign direct investment, human

development and human rights showed that Governments must make agreements with international investors, ensuring that such agreements were sustainable in the public interest. Bilateral investment treaties with other countries could also be useful.

82. An audience member from Nicaragua asked how far States should provide incentives and at what point shared responsibility was achieved.

83. Mr. Soliman said that Governments should provide appropriate conditions rather than actual incentives, and then maintain such conditions. Merely giving incentives was an outdated approach. Instead, shared social and economic values should be created. The question was how the resources available to businesses could be used to create jobs and build markets. The consumption rate in the developing world was very low, so efforts should be made to build that market.

84. Mr. Wouters said that, in Europe, there was a growing realization that companies had to be given incentives to behave as good corporate citizens.

85. An audience member said that a balance must be struck between the need of businesses to make a profit and the need of employees to emerge from poverty. Jobs could not be generated in the same way as 40 years earlier. Businesses faced greater constraints, such as the requirement not to pollute. Increasingly, there was an emphasis on corporate social responsibility towards both employees and consumers. The challenge for businesses was how to motivate their staff, whether through wages or by making staff feel that they were in a genuine partnership.

86. Mr. Soliman concurred. The prime responsibility lay with the State, but private firms must internalize the principles set out by States. It was good that civil society was encouraging business to be socially and environmentally responsible.

87. The moderator said that it was in businesses' interests to pay staff higher wages, because the more money they had, the more they would buy. In that connection, he pointed out the power that the general public could wield as consumers. Consumers could boycott a firm if it was deemed to be acting unacceptably.

88. An audience member from Namibia asked whether there was any correlation between the

conclusion of bilateral investment treaties and actual investments made. He saw no such correlation in his own country. Mr. Alcorta said that foreign direct investment did not, in itself, necessarily lead to growth, but it would if other important elements were included, for example if foreign investors were given incentives to buy locally.

89. An audience member from Burkina Faso commented that inclusive and sustainable development was not an easy proposition, because the various actors had conflicting positions. The State could play an important role in that regard. On the other hand, if there was overregulation, manufacturers might leave the country altogether. In response, Mr. Alcorta said that the State must establish regulatory systems, since international markets could react negatively if firms did not respect human rights or environmental regulations. Producers who did not abide by the rules could be sued if they failed to fulfil their promises.

90. Mr. Soliman said that GDP should not be the only measure of success; there should be other criteria. One such criterion was the gap between the rich and those on middle incomes, which could be corrected by legislation.

91. Asked how they saw the situation in 15 years' time, the panellists made the following predictions. Mr. Alcorta said that Africa and South America would be more industrialized, there would be a larger consumer market and the level of technology and services would be higher. Mr. Ocampo said that the greatest change would come in the environmental element of production. The biotechnology revolution would continue. He hoped that many LDCs would achieve industrialization. Mr. Wouters said that private companies would increasingly adopt public standards in order to obtain open access to other economies, which would monitor those companies' compliance. Mr. Soliman said that workforces would be smaller and more machines would be used. There would also be a growth in e-commerce.

The meeting rose at 7.10 p.m.



United Nations Industrial Development Organization

Distr.: General
11 February 2014

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General Conference Fifteenth session

Summary record of the 5th meeting

Held at the Westin Lima Hotel and Convention Center, Lima, on Wednesday, 4 December 2013, at 10 a.m.

Moderator of interregional debate 3: Mr. Höchtl (former member of the Parliament of Austria)
Moderator of interregional debate 4: Mr. Pietrobelli (Inter-American Development Bank)

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The meeting was called to order at 10 a.m.

Forum on industrial development issues (GC.15/4)
(continued)

Interregional debate 3: "From policy to action: How to make industrialization inclusive and sustainable"

1. An interactive discussion was held on how to make industrialization inclusive and sustainable. The moderator, Mr. Josef Höchtl, former member of the Parliament of Austria, introduced the panellists: Mr. Mario das Neves, Ministry of Development, Industry and Foreign Trade, Brazil; Mr. Mauricio de Maria y Campos, Director of the Institute for Research on Sustainable Development and Social Equality (Instituto de Investigaciones sobre Desarrollo Sustentable y Equidad Social) of the Universidad Iberoamericana, Mexico; Mr. Pekka Lindroos, General Secretary, Prime Minister's Office, Finland; and Mr. Yao Shenhong, Director General of the China International Center for Economic and Technical Exchanges, Ministry of Commerce, China.
2. The moderator said that reasons for the inability of some countries to move from policy to action included a lack of the necessary instruments, insufficient knowledge of how to implement policy successfully, poor private-sector response to government policies and activities, a lack of leadership, coordination and analytic tools and a lack of consensus among stakeholders. In Austria, economic growth and social stability had been achieved through policy formulation and implementation on the basis of the Austrian Social Partnership, which had been developed after the Second World War as a system of cooperation between economic stakeholders and the Government, the main partners being the Federal Economic Chamber, of which all companies in Austria had to be members, the Federal Chamber of Labour, the Trade Union Federation and the Chamber of Agriculture.
3. Mr. das Neves said that in Brazil, the Government, the private sector and the labour force were all involved in the formulation of industrial policy. In 2011, the Great Brazil Plan (Plano Brasil Maior), had been developed with the aim of encouraging innovation, technological development, competition and growth through such strategies as the reduction of production and labour costs and taxes on investments in capital goods and the establishment of

favourable rates for investors. Specific plans were also in place for the oil and gas, renewable energy, health, defence and aerospace and information and communications technology sectors, as well as for environmental sustainability.

4. Mr. Yao Shenhong said that in China, industrial policies were formulated by the central Government (the State Council) and their implementation was guided and regulated through the country's five-year plans, as well as through laws, regulations, administrative orders and directives. The monitoring and evaluation of such implementation was carried out by relevant governmental departments. Policies were communicated to the public through newspapers and other media, including the television and Internet. The five-year plans guided the economic and social development of China and were implemented by Government bodies at various levels. Although there were no specific industrial policy laws, there were laws in closely related fields, such as accounting and foreign investment.
5. Mr. Lindroos said that the restructuring of the economy required the support of stakeholders, in particular the companies that would be driving changes. In Finland there was a system whereby social partners discussed various aspects and challenges of the competitiveness agenda with the Economic Council, which met once a month. The Technology and Innovation Council also comprised social partners, as well as Government ministries. Finland was unique in that it had a parliamentary Committee for the Future, which had commissioned a report on the future. One conclusion of the report was that Finland would remain a manufacturing country but needed to prepare for a future based on digital value creation. It was estimated that, by the mid-20th half of all value-added activities in Finland could be based on digital technology. The current growth model needed to be adapted and new players should be involved in planning for growth. In a future in which digital development and green technology would play a major role and manufacturing services would be of a global nature, Finland needed to be able to service global value networks and ensure that its companies could meet the demands of the global economy.
6. Mr. de Maria y Campos said that it was very difficult to formulate industrial development strategies and policies without a macroeconomic and social

environment that fostered stability, industrial development and growth in productive sectors, encouraged greater public and private investment, including foreign investment, and created well-paid jobs. Physical and social infrastructure and a stimulating fiscal and financial environment were also needed. Coordination, networking and policy linkages were needed not only between the various levels of Government and the private sector, academia, workers and other groups, including non-governmental organizations, but also within individual ministries and sectors. Action should be taken at the national level, but the implementation of networks and policies should foster regional cooperation and thus regional participation in the new industrial world economy.

7. The moderator asked whether any national institutions had been established specifically to advise the Government and stakeholders on future challenges and on how to meet those challenges. In Austria, for example, the Advisory Council for Economic and Social Affairs made recommendations to the Government that were discussed and, in many cases, implemented. The Austrian Institute of Economic Research, which was supported by social partners, produced studies on future challenges.

8. Mr. Lindroos said that Finland had various such institutions, each with specific roles. The Government was investing in ways to enable the private sector to discuss the future with the Government. Parliament had also requested that the Government analyse important future issues, for example through the report on the future. Mr. Yao Shenhong said that the State Council and the various ministries and their departments prepared recommendations to guide future action in their respective areas of activity. Mr. das Neves said that the Ministry of Planning of Brazil was in charge of coordinating the activities of other ministries and preparing scenarios for the future, and that think tanks also worked on issues relating to future challenges. Mr. de Maria y Campos said that, in Mexico, emphasis was being placed on long-term planning for industrial development, and stakeholders such as the Institute for Research on Sustainable Development and Social Equality were making relevant recommendations.

9. When asked how difficulties and conflicts could be overcome and how the private sector could be encouraged to cooperate with the Government, the

panellists said that there was no "one-size-fits-all" solution for overcoming conflicts, and that account should be taken of the different objectives of the Government, the private sector and the labour force. Tax benefits could be used to motivate the private sector. The involvement of all main political parties in major changes to a country's legislation and the involvement of non-governmental stakeholders in the drafting of proposed legislation could also help to avoid conflict. Lastly, the functioning of the financial market should be improved at both the regional and the global level.

10. Invited to consider how countries addressed the challenge of job creation within the context of inclusive and sustainable industrialization, the panellists said that Governments should take the lead but should work with businesses as well as with other Governments and UNIDO. Job creation required economic growth, which in turn required increased investment. However, jobs should not be created at the expense of the environment and sustainability. The importance of education and training, including the retraining of employees with outdated skills, was also emphasized.

11. With regard to the role of UNIDO in making development sustainable and inclusive, the panellists highlighted the ability of the Organization to provide a network for communicating best practices and sharing knowledge and experience, and its role in providing technical expertise and capacity-building.

12. In response to questions raised by members of the audience, the panellists underscored the importance of including environmental considerations, sustainability and inclusivity in industrial policies and the need to consider how changes in social and family structures were affecting traditional entrepreneurial models.

Interregional debate 4: "Strengthening associative models for industrial development"

13. An interactive discussion was held on strengthening associative models for industrial development. The moderator was Mr. Carlo Pietrobello, Lead Economist at the Inter-American Development Bank, and the panellists were: Ms. Rosario Bazán, co-founder, shareholder and Chief Executive Officer of DanPer Trujillo SAC, Peru; Mr. Mukesh Gulati, Executive Director of the Foundation for Micro, Small and Medium Enterprise Clusters, India; Mr. Apollo

Onyango, Director of Kenya Horticultural Exporters Limited; Mr. Pablo Vargas, Chief Executive Officer of Grupo Britt, N.V., Costa Rica; and Mr. Douglas Zhihua Zeng, Senior Economist at the World Bank.

14. The moderator said that associative models for industrial development were based on linkages, which provided opportunities for education, technology acquisition and information-sharing. However, linkages were not always fully exploited, hence the need for policies to promote and improve them, both between companies, and between companies and policymaking organizations. A challenge faced by companies was how to find a balance between competing and cooperating with each other, while international organizations and policymakers were faced with the issue of how and to what extent they could foster such cooperation. Clusters and value chains were the concepts most commonly used to promote enterprise development. Governance of and coordination between those clusters and value chains were important factors, as lack of coordination was a major reason for slower development.

15. A cluster might be formed by companies located in the same area and specialized in related activities. It allowed those companies to benefit from collective efficiency and ease of collaboration and joint action. Global value chains comprised a chain of activities, each carried out by several companies. Research by the Inter-American Development Bank had shown that cluster development programmes generated increased fiscal revenues and profits and allowed companies to react better to crises and to be more resilient and flexible. Cluster development programmes financed by the Bank in Brazil had led to decreased unemployment and an increase in the number of exporters, as well as an increase in overall exports.

16. He asked the panellists to share their views on clusters and value chains and how they helped and fostered enterprise development, and how large firms involved small firms and producers in the clusters and value chains that they led.

17. Ms. Bazán said that value chains and clusters had made the growth of DanPer possible. The company worked with over 1,000 suppliers and service providers and had invested in all the elements of the value chain, for example through training for small farmers on chemical use, to allow farmers and suppliers to improve their productivity and competitiveness and to

fulfil the quality standards demanded in the global markets. As a result, farmers had been able to expand their farms and Peru had increased its exports, thereby generating economic growth and social development.

18. Mr. Onyango said that his company had worked to build the overall capacity of small producers using the cooperative model. Managing small producers was expensive; cooperatives were important because they allowed producers to share resources, knowledge and markets. A cluster of small producers was able to deliver products that met the quality standards of the European market and could offer consistency and efficiencies in the supply chain, thereby attracting buyers, as well as investment. Working together, smallholders could also strengthen their bargaining power with regard to setting prices.

19. Mr. Vargas said that Grupo Britt was built on associative models, as the company had to build long-term relationships with producers in each country in which it operated. The company provided financing to its individual suppliers, helping them to join the formal economy and to expand in order to meet the company's demand for their products. Such expansion often took place within the framework of an associative model. Grupo Britt also assisted cooperatives in augmenting their technical knowledge.

20. Mr. Zeng Zhihua highlighted the importance of the relationship between governments and enterprises. In China, the Government had facilitated the development of clusters through, inter alia, a clear tax regime, good infrastructure and the provision of skills training and financing for research.

21. Mr. Gulati also stressed the importance of cooperation between the private sector and the Government when it came to enterprise and cluster development. Public-private partnerships had been developed in India to enable relevant Government ministries to work with clusters to design and provide schemes and incentives adapted to the particular needs of those clusters.

22. When asked whether clusters could be created and policies oriented towards their creation through the establishment of science parks or special economic zones, Mr. Zeng Zhihua said that in developing countries, the vast majority of successful clusters were those that had evolved organically (the "bottom-up model"). The success rates of clusters that were

developed from scratch (the "top-down model") was higher in developed countries, but they were still relatively low. In China, the construction of science and technology parks and special economic zones had been aimed not at creating clusters but at building up industrialization and manufacturing capacity, and that had led to the development of clusters. Depending on the objectives of the country concerned, special economic zones could be successful, but it was better to create parks and zones with the aim of facilitating the expansion and strengthening of existing successful clusters.

23. The moderator said that the development of clusters required human capital, technical training, infrastructure, research and technology transfer, all of which came under the remit of different Government entities. He asked how coordination between all those entities could be achieved in order to benefit the development of clusters, whether cluster development could be a national policy and what role international organizations and international financial institutions could play in that regard.

24. Ms. Bazán said that efforts were being made in Peru to facilitate communication between associations of farmers or industrial companies and Government ministries, and to improve communication between ministries. Such communication allowed the Government to identify which clusters were generating economic growth and to understand what barriers were faced by those clusters so that the Government could help to overcome those barriers. In addition, agreements had been concluded with the ministries of education and employment to allow entrepreneurs to provide input to the curricula of universities and training institutions so that the training they provided responded to the needs of the enterprises concerned.

25. Mr. Zeng Zhihua said that Government incentives to encourage companies to invest in training personnel

and facilitate technology transfer had proved to be successful in China and the Republic of Korea. International organizations could provide clusters with training and technical assistance, for example on quality standards, and could also facilitate linkages between small enterprises and large firms.

26. Mr. Onyango said that public-private dialogue was crucial in aiding understanding of policies and of the needs of the private sector. Special economic zones were being set up in Kenya and investment, both foreign and local, was needed to increase the technological and human resource capacity of those zones.

27. Mr. Gulati said that integration involving various ministries and infrastructure was required, but each ministry needed to understand the clusters in their respective areas of activity. Innovation promotion and infrastructure development should be in line with the needs of clusters and should take into account such aspects as social and gender-related issues. The creation of industrial parks through public-private partnerships on the initiative of firms that needed to be relocated had proved far more successful than the creation of parks created without sufficient input from the clusters themselves.

28. Mr. Vargas said that the greatest rate of return, for developing countries in particular, came through reducing bureaucracy and bureaucratic processes. Multilateral organizations could help Governments to streamline such processes, produce case studies on best practices and facilitate communication between Governments. Governments should experiment more and consider replicating initiatives developed by the private sector.

A video was shown on the work of UNIDO.

The meeting rose at 1 p.m.



United Nations Industrial Development Organization

Distr.: General
14 February 2014

Original: English

General Conference Fifteenth session

Summary record of the 6th meeting

Held at the Westin Lima Hotel and Convention Center, Lima, on Wednesday, 4 December 2013, at 3 p.m.

Moderator of interregional debate 5: Ms. Ahmad Din (International Consultant in Enterprise and Entrepreneurship, Malaysia)

Moderator of interregional debate 6: Mr. Sajdik (Permanent Representative of Austria to the United Nations)

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The meeting was called to order at 3.05 p.m.

Forum on industrial development issues (GC.15/4)
(continued)

Interregional debate 5: "Economic diversification and industrialization in countries rich in natural resources"

1. An interregional debate was held on economic diversification and industrialization in countries rich in natural resources. The moderator, Ms. Fadzilah Ahmad Din, consultant and former Senior Director of Business Development and Director of Enterprise Development and Entrepreneurship, SME Corporation Malaysia, introduced the panellists: Mr. Vusal Gasimli, Chief, Economic Analysis and Global Affairs Department, Centre for Strategic Studies, Azerbaijan; Mr. Thorvaldur Gylfason, Professor of Economics, University of Iceland; Mr. Barry Ridgway, Vice-President, Sales, Marketing and Services, Microsoft Latin America; Ms. Gladys Triveño, Minister of Production, Peru; and Mr. Arne Wiig, Research Director, Christian Michelsen Institute, Norway.

2. In his introductory statement, Mr. Wiig said that countries should specialize according to their comparative advantages; however, there were both economic and political reasons for diversification, such as protection from price fluctuations for exported goods. Countries with the highest levels of export concentration tended to be oil-producing countries and, in general, were less democratic than countries whose exports had been diversified. Many resource-rich countries experienced very slow or even negative growth as a result of patronage and rent-seeking. Diversification and strong institutions could counter that problem. In addition, structural transformation leading away from an agrarian society had a positive impact on democracy, as it helped to establish a middle class.

3. Weak institutions made it difficult to diversify production, in part because of their inability to coordinate decisions and foster the invention of new products, which was a key element of diversification. The fear of losing political power could also impede diversification; for example, the political elite might restrict or prevent the emergence of new types of industry if they represented a threat to its political power.

4. Mr. Gylfason explained that in Norway, natural resources had always been considered as belonging to the people and that that right was enshrined in law. About 80 per cent of oil revenues had been used to create a pension fund that contained over US\$ 100,000 for every citizen. The fact that the country's oil revenues were managed by an independent institution, the Central Bank of Norway, ensured that their management was depoliticized.

5. Norway had always been a democracy, so the risk of rent-seeking had never arisen, and the country had found a way to harness its natural capital using its human capital. Norway was an example of a country that had successfully diversified away from overdependence on natural resources. Diversification through manufacturing and services had benefited the population and encouraged economic growth.

6. Mr. Gasimli said that, when designing their fiscal policies, countries with finite natural resources should consider how much to invest and how much to save or consume. The permanent income hypothesis that had been successfully applied in Norway was not suited to countries that needed to improve their infrastructure and raise their human capital level, as in the case of Azerbaijan. For that reason, a country-specific and context-specific approach was important.

7. Before designing a diversification policy, it was important to consider the extent to which the economy could be diversified, to find the golden rule between tradable and non-tradable sectors and to synchronize the development of the business climate with that of infrastructure.

8. The substantial growth in exports and high level of GDP growth experienced by the so-called "Asian Tigers" had contributed to the view that export orientation and export diversification led to long-term economic development. Diversification efforts had capitalized on an abundant labour supply and the export of a high volume of manufacturing goods. The focus on export diversification was a common characteristic for all countries that had successfully diversified. Azerbaijan was striving to diversify its exports both horizontally, by adding new petrochemical products to the value chain, and vertically, moving away from oil and gas dominance to other high value-added sectors.

9. Some resource-rich countries that had successfully diversified their economies experienced difficulties in escaping the middle-income trap. The Republic of Korea was an example of a country that had avoided that trap through, *inter alia*, institutional reforms and having a highly skilled labour force and a stable Government.

10. Mr. Ridgway said that building up a country's telecommunications infrastructure was essential for encouraging innovation and entrepreneurship and for attracting businesses, because connectivity was important in a globalized world, in particular given the rise in virtual businesses that were based on cloud computing and telecommunications. It was also important to invest in a strong education system, a skilled and capable labour force and an environment that encouraged entrepreneurship, for example, through the facilitation of access to networking opportunities, financing and other elements required to build a business. Microsoft focused on building the capacity to support technology innovation in the countries into which it expanded through the creation of partnerships with, *inter alia*, software engineers and developers and telecommunication partners, as well as on helping markets to grow and creating a strong local software economy.

11. Governments, non-governmental organizations, industry associations and international organizations should facilitate discussions on the policies required to stimulate innovation, such as transparency, intellectual property protection and economic incentives for innovation and investment. Not every market was the same and it was vital to recognize the core areas of competence in a country's economy and industry and to build from there, rather than attempting to create new industries from scratch when the relevant competencies, natural resources or human capital were not available.

12. Ms. Triveño said that Peru had a great diversity of natural resources, huge areas of forest and great hydrocarbon and mineral wealth, but a great deal of inequality. Over the previous two decades, the economy of Peru had grown partly as a result of openness to trade and macroeconomic stability, which had been achieved through low inflation and control of and greater transparency in fiscal expenditure. Poverty in Peru had been reduced and the middle class had grown, which meant that there was a sector of the

population that had acquired greater purchasing power and better access to public services, the Internet and goods and services.

13. The mineral sector had led economic growth, but non-traditional exports had also increased, in particular in the agro-industry, wood and chemical sectors. Improved diversification had been achieved in agro-industrial exports as a result of determined efforts to enable companies to diversify, increased foreign and national investment and trade agreements, and the creation of incentives. However, a number of challenges remained. The fishing industry of Peru was a key component of its economy, but the country had experienced little growth in fishing exports; although it exported alpaca fibre, it did not export clothing made from alpaca wool. More wealth could be achieved through adding value to, rather than simply exporting, raw materials, and through improvements to infrastructure, education and access to technology.

14. The moderator said that the importance of economic diversification had been realized in Malaysia in the 1960s. Having been a chiefly rubber- and tin-exporting nation, Malaysia had begun to focus on developing its manufacturing capabilities. From the 1990s, production capacity and international competitiveness had been emphasized and Malaysia had begun a process of export-oriented industrialization because its domestic market had not been large enough to sustain growth. Despite steady growth, the country had become caught in the middle-income trap. Consequently, the Government had launched the Economic Transformation Programme in 2010 with the aim of becoming a high-income economy by 2020 while ensuring inclusiveness and the sustainability of economic initiatives and preventing the widening of the income gap.

15. Malaysia had natural resources and a stable Government that had focused on investing revenues from natural resources into development and infrastructure. The economy had been diversified both horizontally, from commodities to non-commodities, and vertically, from raw commodities to processed goods. Its openness to foreign investment and labour had helped the development of non-resource-based industries. The development of small and medium-sized enterprises (SMEs) had always been

emphasized in Malaysia, because they were considered the engine of growth.

16. When asked by the moderator what role SMEs played in economic diversification and how SMEs were supported, Mr. Gasimli said that several funds had been established in Azerbaijan, under the auspices of relevant ministries, to support SME development. Diversification along the value chain was required and Azerbaijan strove to create additional value by following the so-called "smiling curve" model, attracting SMEs at the beginning and end of the value chain.

17. SME development and innovation-led development were very important. Attempts were being made to improve labour productivity, since it was necessary to increase the qualifications of the labour force in order to achieve SME development, economic diversification and increased manufacturing output.

18. Ms. Triveflo said that diversification required a skilled labour force. The gaps in training and human resources that existed in countries like Peru therefore represented an obstacle to diversification. New policies fostering the knowledge, skills and capacity of small enterprises were needed so that those enterprises could benefit from the wealth created by the natural resources on which their activities were based.

19. Mr. Wiig said that the use of local content, combined with a democratic society and control of patronage activities, had been very successful in creating new oil-related industries and service providers in Norway. It was important to support SMEs through general incentives and by addressing the types of problems they faced so that they were able to compete and innovate.

20. In response to the moderator's question as to what advice the panellists would give to countries beginning to diversify their economies, Mr. Wiig said that the first step should be to examine what kind of interests there were in different sectors, which sectors were performing well and the different types of resources available. Diversification strategies should reflect the type of resources in the country concerned and the type of political system and institutions in place. An enabling environment, with good infrastructure, human capital and general support and incentives, was crucial, as that allowed entrepreneurs to diversify by themselves.

21. Mr. Gylfason said that resource-rich countries needed to be aware of mismanagement of natural resources, which tended to attract the wrong sort of people to politics and led to rent-seeking; "Dutch disease", which manifested itself through overvalued and volatile currencies that were damaging to exports, efficiency and economic growth; and the false sense of security that abundant natural resources gave to the authorities and the people, which led to a lack of motivation to strengthen and protect political and educational institutions.

22. Mr. Gasimli added that if institutions facilitated economic and social development, the middle-income trap, "Dutch disease" and rent-seeking could be avoided. He suggested that a new platform on diversification issues be created under the umbrella of UNIDO and that Azerbaijan organize the next round of discussions on the topic.

23. Mr. Ridgway said that the change management elements of moving dependence on one set of resources to a different set needed to be encouraged. He also recommended enlisting the support of partners to achieve specific objectives.

24. Responding to a question from a member of the audience, Mr. Wiig said that support for industries controlled by a local elite entailed the risk of supporting the interests of that elite. Furthermore, it was not efficient to target one specific industry at the cost of another. There was a danger that foreign investment in certain industries could have a negative impact on national institutions, but although multinational countries should be aware of that, it should not stop them investing.

25. The moderator, when asked how to define SMEs, said that countries had to stratify them and understand their profiles. Medium-sized enterprises were more likely to play a role in economic diversification and could not be treated in the same way as small and micro-enterprises.

Interregional debate 6: "Empowering women: fostering entrepreneurship"

26. An interregional debate was held on fostering women's entrepreneurship as a means of empowering women. The moderator was Mr. Martin Sajdik, Permanent Representative of Austria to the United Nations in New York, and the panellists

were: Mr. Gerard Finnegan, former Director of the Lusaka Country Office, International Labour Organization (ILO); Ms. Vidyani Hettigoda, Director, Siddhalepa Group of Companies, Sri Lanka; Ms. Eva Muraya, Chief Executive Officer, Brand Strategy and Design (EA) Limited, Kenya; Ms. Shahina Waheed, National Programme Officer, UNIDO; and Ms. Dessima Williams, former Permanent Representative of Grenada to the United Nations in New York and Founder and Director of the Grenada Education and Development Programme.

27. *A video was shown on women's entrepreneurship in the context of inclusive and sustainable development.*

28. The moderator said that economies grew when more women entered the labour market, but women remained the most underutilized asset in the world economy. Women often started their own businesses out of necessity because they were excluded from the labour market, whereas men tended to view entrepreneurship as an opportunity for innovation and growth.

29. Issues that needed to be addressed in order to encourage entrepreneurship among women included the exploration of innovative means of allowing women to exchange or obtain practical entrepreneurship experience, how to maintain girls' interest and confidence in subjects such as mathematics at school and how to improve access to finance.

30. Ms. Muraya said that she had been introduced to entrepreneurship only as an adult, which had represented a barrier for her as she had lacked not only experience but also information about related subjects, such as technology and investments. She had also found there to be a lack of role models and had experienced difficulties in accessing affordable credit. In addition, as a wife and mother, she had been faced with various familial and social obligations not faced by men.

31. The following were needed to overcome the many barriers that women faced, in particular in emerging economies: the formulation of affirmative action policies to promote equity in economic engagement; improved access to education, training, market information and finance to provide a more enabling environment for female entrepreneurs; entrepreneurship training and mentoring; and strong

institutions that provided access to business networks, markets, and information and communication technologies.

32. Ms. Hettigoda said that she had started her career as a labourer and had learned different skills over time. She believed that that was one path that an entrepreneur could take. In Sri Lanka, many women did not work after they married, but working from home was a good way of allowing them to earn an income; her company provided training on giving spa treatments from the home. It also offered flexible working hours, a crèche, medical services for children and transportation in order to assist women in remaining in employment.

33. The provision of training in, among other areas, information technology, food processing and services that could be offered from the home, such as hairdressing and tourism-related activities, as well as in entrepreneurship and independence, could help women to join the labour market. Opportunities for networking with other female entrepreneurs were vital in order to give women the confidence to start their own businesses. In general, access to finance and knowledge of information technology needed to be improved. Sri Lanka needed more university facilities and more women at the decision-making level.

34. The empowerment of women needed to start in schools, so that girls had the confidence to become entrepreneurs in the future. It was more effective to empower small groups of women, as the benefits would spread to wider groups through community links and word of mouth.

35. Mr. Finnegan said that the concepts of "micro" and "small" had often been associated with female entrepreneurs, for example microfinancing, but there was no reason to apply those restrictive words specifically to women. Projects to empower women needed to take into account family responsibilities, otherwise women could be forced out of business.

36. During his time working for ILO, he had initiated the Women's Entrepreneurship Development and Gender Equality (WEDGE) programme, which was aimed at developing the knowledge base of women entrepreneurs through, for example, the collection of sex-disaggregated data and information on good practices and successes around the world, and at developing partnerships both internally, such as

between ministries, and externally, such as between international organizations, international and regional financial institutions, the private sector and Governments. The UNIDO General Conference was a good example of partnerships at work.

37. Ms. Waheed said that girls and boys were raised differently in order to fulfil the different roles expected of them by society. That was a major social and cultural barrier to women's becoming involved in business, which had traditionally been considered a male domain. However, once women realized that they did not have to conform to those expectations and learned such life skills as confidence, time management and the power to negotiate, they could overcome such barriers and become successful entrepreneurs.

38. Synergies between the private and public sectors, such as between organizations and institutions and between universities and industry, should be facilitated to further understanding of the particular needs of women so that appropriate programmes and services could be set up to help them become successful in business.

39. The creative industries represented the key to inclusive industrial development and those industries were well suited to women. The creation of a new job market in those industries would mean that women were not competing with or taking jobs from men. Advancing those industries should be part of the post-2015 agenda.

40. Ms. Williams proposed various solutions to the barriers faced by female entrepreneurs, including the expansion of women's access to economic decision-making through increased female representation at the policymaking level, involving more men in the gender equality debate and providing female entrepreneurs with access to capacity-building and new technologies, for example through

intergenerational partnerships, to allow them to streamline their production methods and increase output.

41. In response to questions and comments from members of the audience, the panellists referred to the changing role of the entities of the United Nations system in promoting women's empowerment and how the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) could take the lead in bringing different agencies together; the empowerment and education of women as means of allowing men and women to work together as partners and break the pattern of each gender fulfilling traditional and unequal roles; the importance of education in enabling women to enter traditionally male-dominated sectors such as engineering; and the need for female entrepreneurs to become involved in mentoring and coaching.

42. Ms. Muraya outlined some of the steps that a small enterprise needed to take in order to expand: build a compelling brand; have a clear value proposition with regard to its products or services; examine the technical skills of the workforce and improve them if required; and draw up a bankable business plan to secure bank credit or attract investors.

43. The moderator summed up by saying that gender inequality was driven by multiple factors but equality could be achieved if the right environment was created. Progress was being made in that regard. The entities of the United Nations system should coordinate and collaborate on the gender-related issues that formed part of their mandates within the framework of the post-2015 development agenda. He asked members of the audience and panellists to continue the discussion and to consider the role of UNIDO in fostering gender equality in industry.

The meeting rose at 6.20 p.m.



United Nations Industrial Development Organization

Distr.: General
17 January 2014

Original: English

General Conference Fifteenth session

Summary record of the 7th meeting

Held at the Westin Lima Hotel and Convention Center, Lima, on Thursday, 5 December 2013, at 10 a.m.

President: Ms. Triveño (Peru)

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The meeting was called to order at 10.35 a.m.

Credentials of representatives to the Conference
(continued) (GC.15/L.1)

1. **Ms. Billia** (United Republic of Tanzania), Chair of the Credentials Committee, introducing the Committee's report (GC.15/L.1), said that the Secretariat had subsequently received additional credentials as provided for in rule 27 (2) of the rules of procedure of the Committee, in respect of the representatives of Guatemala and Montenegro, and a communication in the form of a copy of credentials in respect of the representative of Switzerland. That meant that a total of 117 Members were participating in the Conference; 60 Members had submitted credentials in accordance with rule 27 (2) of the rules of procedure; and 55 Members had submitted communications in accordance with subparagraphs (b) and (c) of paragraph 4 of the Committee's report.

2. **Mr. Khosraviani** (Islamic Republic of Iran) said that he had submitted a written reservation to the Credentials Committee to the effect that his delegation would like to join the consensus on the current agenda item, but that that by no means constituted the recognition of the Israeli regime by his delegation.

3. **Mr. Aviram** (Israel) said it was a shame that such negative words should have been spoken at a conference whose aims was to promote cooperation and friendship between nations. The Islamic Republic of Iran, while smiling to the world, was also supporting terror and denying its own citizens their human rights. It should not be forgotten that King Kores of Persia had acknowledged the rights of Israel and the rights of the Jewish people to return to their homeland.

4. **The President** said that the comments of the representatives of the Islamic Republic of Iran and Israel would be reflected in the summary record of the meeting.

5. *The report of the Credentials Committee was approved.*

Financial matters (continued)

(e) Appointment of an External Auditor
(continued) (GC.15/12; IDB.41/15)

6. **The President** recalled that the Conference had decided at its fourteenth session to extend the

appointment of the Auditor-General of Pakistan for the period from 1 July 2012 to 30 June 2014. An External Auditor must now be appointed for the period beginning on 1 July 2014. There remained six candidates for the position of External Auditor: Mr. Dieter Engels, President of the German Supreme Audit Institution; Mr. Richard Quartey, Auditor-General of Ghana; Mr. László Domokos, President of the State Audit Office of Hungary; Mr. Jørgen Kosmo, Auditor-General of Norway; Ms. Lara Taylor-Pearce, Auditor-General of Sierra Leone; and Mr. Roman Maguta, Chairman of the Accounting Chamber of Ukraine. In accordance with rule 100 of the General Conference rules of procedure the External Auditor would be elected by secret ballot, the applicable majority being the majority of the votes cast by those Member States present and voting.

7. *At the invitation of the President, Ms. Crespo (Ecuador), Mr. Colapinto (Italy) and Ms. Wrona (Poland) acted as tellers.*

8. *A vote was taken by secret ballot.*

<i>Members entitled to vote:</i>	137
<i>Members absent:</i>	48
<i>Invalid ballots:</i>	0
<i>Abstentions:</i>	0
<i>Members voting:</i>	89
<i>Required majority:</i>	45
<i>Number of votes obtained:</i>	
Mr. Engels	30
Mr. Maguta	19
Mr. Domokos	17
Mr. Quartey	16
Mr. Kosmo	4
Ms. Taylor-Pearce	3

9. *The required majority being 45 votes, none of the candidates was elected.*

10. **The President** said that, in accordance with previous practice and rule 10: (2) of the rules of procedure, a second round of voting would now be held, restricted to the two candidates who had received the highest number of votes.

11. **Mr. Camacho Gonzalez** (Panama) proposed a vote between the first four candidates, bearing in mind that there were only three votes separating them.

12. **Mr. Moradi** (Legal Adviser) pointed out that, in accordance with rule 101 (2), the number of

unsuccessful candidates that proceeded to the second ballot should not exceed twice the number of places to be filled. Therefore, the number of candidates in the second round should not exceed two.

13. **Mr. Kebe** (Senegal) congratulated all the candidates and suggested that Mr. Engels and Mr. Maguta consult between themselves and that one stand down in favour of the other, thus removing the need to proceed to a second round of voting.

14. **Mr. Moradi** (Legal Adviser) said that under rule 100 (1), the option proposed by the representative of Senegal would be possible if there were no objection.

15. **Mr. Bonilla Olivas** (Nicaragua) said that it would be prudent to use the established system.

16. **Mr. Zagrekov** (Russian Federation) said that the established rules should be followed and that the Conference should proceed with the second round of voting.

17. *A second vote was taken by secret ballot.*

<i>Members entitled to vote:</i>	137
<i>Members absent:</i>	46
<i>Invalid ballots:</i>	0
<i>Abstentions:</i>	1
<i>Members voting:</i>	90
<i>Required majority:</i>	46
<i>Number of votes obtained:</i>	
Mr. Engels	62
Mr. Maguta	28

18. *Mr. Engels, having obtained the required majority, was appointed External Auditor of UNIDO for a term beginning on 1 July 2014.*

19. **Mr. Scharinger** (Germany) thanked the Member States for their support and thanked the other five candidates for the fair election campaign. He was confident that the work of the newly appointed External Auditor would meet expectations.

20. **Mr. Khosraviani** (Islamic Republic of Iran), speaking on behalf of the Asia-Pacific Group, congratulated Mr. Engels on his appointment as External Auditor. His broad experience would undoubtedly benefit both the Organization and its Member States, which had a fundamental interest in the accountability and transparency of UNIDO. His work would add value to the management of UNIDO,

contributing to increased efficiency and effectiveness. The Group complimented the outgoing External Auditor on his work, which should be built on by his successor.

21. **Mr. Melan** (Austria), speaking on behalf of the European Union (EU), thanked the outgoing External Auditor, whose reports had provided a sound basis for negotiation on various matters, including the budget. The EU congratulated the newly elected External Auditor and was confident that his work would be of the same outstanding quality as that of his predecessor.

The meeting rose at 13.32 p.m.



United Nations Industrial Development Organization

Distr.: General
3 February 2014

Original: English

General Conference Fifteenth session

Summary record of the 8th meeting

Held at the Westin Lima Hotel and Convention Center, Lima, on Thursday, 5 December 2013, at 3 p.m.

President: Ms. Mutandiro (Vice-President)..... (Zimbabwe)
Later: Mr. Azeez (Vice-President) (Sri Lanka)

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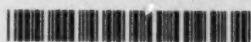
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| 12 | Medium-term programme framework (<i>continued</i>) |) |
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| 18 | Report on the work of the Multilateral Diplomatic Committee in UNIDO (<i>continued</i>) |) |
| 19 | Personnel matters, including UNIDO Staff Pension Committee (<i>continued</i>) |) |
| 20 | Matters related to intergovernmental, non-governmental, governmental and other organizations (<i>continued</i>) |) |
| 21 | Date and place of the sixteenth session (<i>continued</i>) |) |

The meeting was called to order at 3.10 p.m.

Annual reports of the Director General on the activities of the Organization for 2011 and 2012 (*continued*) (IDB.40/2, IDB.41/2)

Reports of the Industrial Development Board on the work of its fortieth and forty-first regular sessions (*continued*) (GC.15/2 and GC.15/3)

Forum on industrial development issues (*continued*) (GC.15/4)

Financial matters (*continued*)

- (a) **Scale of assessments of Member States** (*continued*) (IDB.41/6/Rev.1; IDB.41/Dec.9)
- (b) **Financial situation of UNIDO** (*continued*) (GC.15/11 and GC.15/14; GC.15/CRP.1 and GC.15/CRP.2)
- (c) **Working Capital Fund** (*continued*) (IDB.41/7; IDB.41/Dec.10)
- (d) **Financial regulations** (*continued*) (IDB.41/14; IDB.41/Dec.11)
- (e) **Appointment of an External Auditor** (*continued*) (GC.15/12; IDB.41/15)

Programme and budgets, 2014-2015 (*continued*) (IDB.41/5 and Add.1; IDB.41/Dec.12)

Medium-term programme framework (*continued*) (IDB.41/8; IDB.41/Dec.13)

Outcome document of the informal working group on the future, including programmes and resources, of UNIDO, entitled "Strategic Guidance Document" (*continued*) (IDB.41/24)

Lima Declaration and Plan of Action 2013 (*continued*) (GC.15/13)

UNIDO activities related to energy and the environment (*continued*) (GC.15/5 and GC.15/6)

UNIDO activities related to agribusiness, trade capacity-building and job creation (*continued*) (GC.15/7)

UNIDO activities related to the Vienna Ministerial Declaration and Plan of Action of the Least Developed Countries and to cooperation with middle-income countries (*continued*) (GC.15/8 and GC.15/9)

Report of the work of the Multilateral Diplomatic Committee in UNIDO (*continued*) (GC.15/CRP.4)

Personnel matters, including UNIDO Staff Pension Committee (*continued*) (GC.15/CRP.2; IDB.41/19; IDB.41/Dec.15)

Matters related to intergovernmental, non-governmental, governmental and other organizations (*continued*) (GC.15/10)

Date and place of the sixteenth session (*continued*)

1. **Mr. Petersen** (Norway), speaking as the Chair of the Multilateral Diplomatic Committee for Relations with the International Organizations at Vienna and the Host Country, said that the Committee was currently composed of representatives of the following States: Argentina, Ecuador, Egypt, Iran (Islamic Republic of), Netherlands, Nigeria, Norway, Poland, Russian Federation and Sri Lanka.

2. Between December 2012 and October 2013, the Committee had held six meetings. Mr. Hernández (Argentina) had been elected Vice-Chair.

3. The issues raised at the meetings had included: the Schengen visa system and the requirement to provide fingerprints when applying for a Schengen visa; new procedures at Vienna airport regarding access to restricted areas and the limited parking available to diplomats; and regulations on the sale of diplomatic cars and vehicles. In some cases, issues had been raised and subsequently considered by the Committee as being outside the scope of the Committee's mandate. As a rule, specific issues pertaining to individual permanent missions should be dealt with at a bilateral level with the Host Country, while the Committee should concentrate on matters of general concern within the scope of its mandate.

4. Information had been provided to the Committee on those topics in the form of presentations and written responses. At the Committee's request, the Ministry of European and International Affairs of Austria had presented a legal paper outlining the relationship between the Agreement between UNIDO and Austria

regarding the Headquarters of UNIDO and Austrian and European Union law with regard to the requirement to provide fingerprints.

5. In view of the fact that the Committee would soon need to elect new officers, it should draw up guidelines on how such elections should proceed.

6. **Mr. Budiman** (Indonesia) said that industry was of vital importance in achieving sustainable development that involved the cooperation of all stakeholders and was based on the three pillars of economic, environmental and social sustainability. Indonesia therefore welcomed the theme of the Conference session.

7. UNIDO should continue in its role as a catalyst for sustainable industrial development, particularly within the framework of the post-2015 development agenda. The Organization could make significant contributions to addressing development issues while also contributing directly to overall poverty reduction through its programmes, in response to the needs and interests of Member States.

8. The importance of technical assistance provided by UNIDO to developing countries could not be overstated. Indonesia noted with appreciation that most developing countries had received assistance from UNIDO during the global financial and economic crisis. Such positive measures should be maintained and strengthened.

9. The financial challenges that UNIDO had faced in recent years had become one of the major obstacles to the fulfilment of its mandate. Indonesia was fully committed to supporting the Organization's work, particularly in the area of poverty reduction.

10. Most countries faced challenges concerning energy and the environment. In order to minimize environmental risks, a new industrial revolution, for all countries, should focus on energy efficiency in order to create green, low-carbon, environmentally friendly industry that employed renewable energy through innovation and new technologies.

11. The commitment of Indonesia to green industry and sustainable development was stronger than ever. The country had undertaken to reduce its greenhouse gas emissions by 26 per cent by 2020 and by up to 41 per cent with international assistance. That commitment had gradually been incorporated into

provincial and national action plans to decrease such emissions. Indonesia regulated the voluntary and mandatory action required of each industry in order to reduce emissions, particularly those industries that used high levels of energy and produced emissions on a large scale, such as those involved in the production of cement, iron and steel, pulp and paper, textiles, petrochemicals, fertilizer, glass and ceramics. The assistance provided by UNIDO to the Government of Indonesia and the Organization's contribution to the creation and promotion of green industry and sustainable industrial development were greatly welcomed.

12. Indonesia had approved the implementation of a national resource-efficient and cleaner production programme as a follow-up to green industry and sustainable development programmes, through which some 4.6 million United States dollars had been allocated for capacity-building, seminars and technical assistance in clean industry processes.

13. In an effort to enhance cooperation with other developing countries, Indonesia, in collaboration with UNIDO, had successfully established the secretariat of the South-South Industrial Cooperation Centre in July 2013. Indonesia continued to view South-South cooperation as an important and effective means of cooperation among developing countries in the areas of industry, trade, technology, knowledge and technical assistance.

14. Lastly, he reiterated the commitment of Indonesia to working closely with UNIDO and its Member States to promote and accelerate sustainable industrial development.

15. **Mr. Ardizzone** (Italy) said that the adoption of the Lima Declaration was a milestone for UNIDO and paved the way for a new, prominent role for the Organization in the definition and coordination of a global industrial agenda, preparing it for action within the post-2015 development framework. UNIDO should develop that role by seizing the opportunities presented by its unique mandate to promote sustainable industrial development.

16. UNIDO had great potential, owing to the unique experience it had acquired in its various areas of activity. It would need the support of all Member States in order to fulfil that potential and achieve its ambitious goals. The Organization's relevance as a

global driver of inclusive and sustainable industrial development and sustained growth worldwide would depend on the ability of those States to build strong synergies and work together.

17. Italy was fully committed to supporting UNIDO and was one of its major donors. Its investment in UNIDO over the past decade amounted to more than 100 million euros, and it had decided to release its share of unutilized balances of appropriations to support future initiatives identified on the basis of common priorities. The strong relationship between UNIDO and Italy had led to remarkable results in several areas of technical cooperation, such as the development of clusters of small and medium-sized enterprises (SMEs), support for interregional projects aimed at promoting and developing origin and export consortia and for programmes to facilitate international market access, the promotion of sustainable agro-industries, the empowerment of women and the creation of youth employment, particularly in the Mediterranean region.

18. With respect to agribusiness, trade and job creation, Italy would continue to support initiatives aimed at fostering sustainable and "pro-poor" agribusiness development, such as the promotion of clusters of SMEs and export consortia and the integration of farms into regional and global supply chains.

19. Italy attached great importance to sustainable models of agribusiness, nutrition, food security and the eradication of global hunger. Expo 2015, to be held in Milan under the theme "Feeding the planet, energy for life", would be dedicated mainly to those issues, which would remain at the top of the development agenda.

20. He encouraged UNIDO to strengthen its technical assistance relating to the promotion of agro-industry and to foster its partnerships with the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development and other relevant stakeholders.

21. With respect to job creation, employment represented a top priority for Italy, as for many other Member States. Economic growth should be directed mainly at the creation of decent jobs, and Italy was supporting several projects to facilitate youth entrepreneurship and enterprise development in various countries.

22. Italy noted with satisfaction UNIDO activities related to energy and the environment and acknowledged the Organization's role in furthering cleaner and more sustainable industrial development through the promotion of energy efficiency in manufacturing processes, the dissemination of international standards and technical assistance relating to renewable energy for productive uses. It also greatly appreciated the efforts made by UNIDO to improve the contribution of its technical cooperation programmes to the attainment of the Millennium Development Goals (MDGs). He was confident that UNIDO would be able to sharpen its profile in the post-2015 development framework, playing its part in the accomplishment of future sustainable development goals and assisting its Member States in their transition to a greener economy.

23. **Mr. Swaminathan** (India) said that the signing of the Lima Declaration was a new milestone for the Organization and one that gave momentum and significance to a renewed political commitment to industrial development, highlighting the role of UNIDO, as a platform within the United Nations system, in responding to the needs of developing countries.

24. He had no doubt that UNIDO would continue its endeavours to create capacities within developing countries to enable them to emerge as effective manufacturing and trading partners in the global market. Inclusive and sustainable development was important to all and required a supportive international economic environment, technology transfer, open and increased multilateral trade capacity-building and enhanced investment flows, including from multilateral development banks. Poverty remained a major political and economic challenge and its eradication required special attention and renewed collective efforts.

25. Industrial development remained one of the most important factors in poverty alleviation, job creation and equality among societies and nations. Over the past 40 years, UNIDO had helped developing countries immensely in their efforts to achieve overall growth, and it remained the primary organization in the United Nations system for forging North-South and South-South partnerships, facilitating technology transfer and building the manufacturing and trade capacities of Member States.

26. The Organization had established itself as a valuable partner for growth and prosperity in developing countries, particularly in activities related to agribusiness, small and medium-sized enterprises, trade capacity-building, enhanced market access and the establishment of links between buyers and suppliers. He commended UNIDO for its activities related to energy and the environment and to promotion of the competitiveness of industries through enhanced industrial energy efficiency, increased use of renewable energy and greater application of clean and innovative energy technologies.

27. India had been assisting the Organization in disseminating its technology, experience, expertise and best practices in the developing world. The first centre for South-South industrial cooperation in the United Nations system, the UNIDO Centre for South-South Industrial Cooperation, had been established in New Delhi in 2006. The Centre provided a platform for encouraging closer industrial cooperation among developing countries so as to ensure that the least developed countries (LDCs) could benefit from the expertise and experience of successful strategies adopted by those developing countries with a higher level of development. The Centre designed and implemented practical and innovative technical cooperation projects on a demand-driven basis with a view to facilitating the transfer and dissemination of appropriate technologies, replicating best practices, promoting training, skills development and capacity management, developing entrepreneurship, strengthening institutions and networking and promoting trade and investment.

28. During the Centre's first phase, successful projects had been carried out in countries including Benin, Côte d'Ivoire, Guinea, Liberia, Nigeria, Sierra Leone and Timor-Leste. The second phase had commenced and a large number of high-impact projects were planned.

29. India remained fully committed to making the Centre a vehicle for social and industrial change in developing countries. While North-South cooperation remained the cornerstone of development partnership through technology transfer and capacity enhancement, the role of South-South cooperation in linking development, expansion of trade and poverty reduction was equally important.

30. India was working towards the overall reorientation of the UNIDO International Centre for Advancement of Manufacturing Technology (ICAMT), located in Bangalore, with a view to placing the Centre within the wider network of UNIDO International Technology Centres. The Centre would focus more on technology advancement for priority sectors, which were to be carefully selected on the basis of specific criteria in order to ensure the quality of technology support for specific projects. Clear outcomes and evaluation techniques were also being established in consultation with UNIDO to make the Centre more rigorous and effective.

31. The Lima Declaration would serve as a critical catalyst for reinvigorating the mandate of UNIDO and for placing industrial development at the centre of the post-2015 development agenda. UNIDO should further strengthen its existing partnerships and mobilize more financial resources with a view to ensuring sustained growth and prosperity.

32. **Mr. Grossi** (Argentina) said that the world continued to face many of the challenges existing at the time of adoption of the Lima Declaration and Plan of Action on Industrial Development and Cooperation of 1975. As then, the eradication of poverty was a primary objective, and he welcomed the fact that the new Lima Declaration recognized its importance. The MDGs reflected those challenges and should be carried forward under the post-2015 development agenda, in which industry should feature prominently as a key tool in the process of decent job creation and social inclusion at all levels.

33. Since 2003, Argentina had been implementing a political and economic model based on reindustrialization, job creation and social inclusion. Those efforts had resulted in growth that was unprecedented in Argentine history and that was due in large part to the country's intensive reindustrialization and industrial recovery. The annual average rate of industrial growth for the period 2003-2012 had been greater than 8 per cent in almost all industrial sectors.

34. A fairer, more integrated and more egalitarian society was possible only if industry was strong. Without an industrialized economy, societies tended to be divided into rich and the poor; the included and the excluded. Argentina was therefore greatly interested in the strategic role that UNIDO could and should play in promoting inclusive and sustainable industrial

development. There was no doubt as to the importance of industrial development for technological advancement, the creation of decent jobs, greater productivity and diversification and enhancement of the economic framework of developing countries and emerging economies.

35. UNIDO should fulfil its mandate in all four of its core functions. The creation of production and trade capacity and the sustainable and efficient use of resources in production had been recognized by Member States as thematic priorities which should be incorporated into specific programmes and projects.

36. UNIDO had a special responsibility towards developing countries, and Latin America had an important role to play in that regard. As a region that benefited from and contributed to cooperation activities, Latin America had been called upon to serve as a central link in the chain of inclusive and sustainable development. The expansion and more effective use of the Trust Fund for Latin America and the Caribbean was a good example of how progress could be made. Argentina hoped to be able to work closely with the Secretariat to establish priorities and projects that met the needs and reflected the specific conditions of countries in Latin America and the Caribbean. While many regions required support, and the LDCs should be the first to receive assistance, Latin America and the Caribbean should remain among the Organization's priorities.

37. Issues related to all aspects of industrial development, including renewable energy, energy security and energy efficiency, should be incorporated clearly in UNIDO activities, and the promotion of industrial development should form a part of all multilateral agendas. Argentina therefore encouraged UNIDO, in the course of negotiations on the post-2015 agenda, to strengthen its interaction with other international institutions that had complementary mandates and that prioritized social and economic development.

38. UNIDO should be decisive and determined in fulfilling its role as a driving force behind industrial development, which continued to be central to efforts to combat poverty, inequality and injustice. After 11 years of absence, and following its own process of reindustrialization, Argentina had rejoined the Industrial Development Board, as a member of which it hoped to contribute to the establishment of

guidelines and policies that would consolidate the role and importance of UNIDO.

39. Ms. Aouad (Morocco) welcomed the adoption of the Lima Declaration, which highlighted the importance of industrialization as an engine for growth and provided an effective response to the various challenges presented by the ever-changing global economy.

40. Given the continued negative impact of the economic crisis on Member States, the promotion of inclusive and sustainable development was more relevant than ever. Industrial development was essential in order to generate economic growth through industrial diversification and to empower women and young people. Sustainable structural and industrial transformation in developing countries was not possible without innovative cooperation that created synergies, offered technology transfer and brought progress.

41. In that regard, the global economy offered opportunities for foreign direct investment and international North-South, South-South and trilateral cooperation based on technology, know-how and good practices.

42. Public-private partnerships facilitated inclusive and sustainable development by promoting financial efficiency, social justice and respect for the environment.

43. Morocco had developed its industrial strategy by targeting production chains and branches that had comparative advantages and significant potential and by prioritizing cooperation. Accordingly, its National Pact for Industrial Emergence, which formalized the relationship between the State and the private sector, set out commitments based on such fundamental principles as consensus and dialogue with a view to the creation of a strong industrial sector. The overarching idea of the strategy was to maximize Moroccan potential in areas that could attract direct investment, namely the automobile, aeronautics, electronics, offshoring, textiles, food production and agricultural sectors, in which more than 110,000 jobs had been created between 2009 and 2012. Attention was also being given to other industrial sectors that had significant potential for development and could help Morocco to position itself in the international economy, including the chemical and pharmaceutical

industries. The strategy was already proving effective, with tangible results. She expressed the hope that UNIDO, as a unique platform within the United Nations system for facilitating the transfer of industrial technologies and the development of production capacity, would take part in the implementation of the strategy.

44. In 2012, industry in Morocco had received around US\$ 970 million in foreign direct investment; the share of gross domestic product (GDP) accounted for by the processing industries had exceeded the target of US\$ 14.5 million since 2009 and continued to increase; exports had increased; new foreign donors had become involved in the textile and clothes manufacturing industries, in which sourcing activities had increased; and major foreign companies had established themselves in Morocco. Those results were due in part to the fruitful relationships that had been established with countries that had provided financing, such as France, the Republic of Korea and Spain, in such sectors as training and integrated industrial platforms.

45. Morocco looked forward to continuing its discussions with UNIDO on a new strategic framework for future cooperation based on support for specific sectors, sustainable development and South-South cooperation, in line with the areas of activity and priorities of Morocco with respect to industry and job creation. It also hoped that the international financial community would support the implementation of that framework.

46. Efforts to eradicate poverty at the global level would succeed only if special attention was given to industrial development in middle-income countries and the LDCs, especially African countries, whose great potential had yet to be unlocked.

47. Her delegation reiterated its willingness to share Moroccan experience, tools and methodologies with other countries, particularly African countries, as part of South-South or triangular cooperation with a view to transferring skills and technologies and thus contributing to inclusive and sustainable development.

48. The fundamental role of UNIDO in helping Member States to industrialize warranted the strengthening of the Organization's mandate. Member States should work together to ensure that the goal of inclusive and sustainable industrial development was

included in the post-2015 development agenda and that UNIDO was supported in its efforts in that regard.

49. The fact that major donor countries had withdrawn from UNIDO should not discourage Member States from promoting the role of the Organization, nor should it divert the Organization from its mandate. In that regard, the adoption of the "Strategic Guidance Document" was a promising basis for the future of UNIDO.

50. **Mr. Azeez** (Sri Lanka) said that Sri Lanka remained committed to the advancement of inclusive and sustainable industrial development and was implementing a number of projects aimed at creating jobs for young people while improving overall economic conditions. The projects facilitated by UNIDO in Sri Lanka greatly assisted the Government in its efforts towards the economic empowerment of rural communities.

51. The Lima Declaration was special because it built on the related outcomes of the United Nations Conference on Sustainable Development and other international processes, including the United Nations General Assembly's high-level events on the post-2015 development agenda, and sought to set a new pace and establish a conceptual framework for the future direction of UNIDO. It also provided a significant platform through which Member States could renew their commitment to further industrial development and thereby strengthen the Organization's thematic priorities and technical cooperation.

52. His delegation noted with satisfaction the Organization's achievements in the area of technical cooperation in 2011 and 2012. While the decline in technical cooperation activities in the first three quarters of 2013 was worrying, he expressed the hope that that situation would improve as the Secretariat continued to devise innovative ways to use its financial resources effectively.

53. The future of UNIDO represented the future of industrial development in many countries, including Sri Lanka, and he therefore welcomed the "Strategic Guidance Document".

54. Inclusive and sustainable development was a timely concept, for a number of reasons. First, industrial development had been the key to employment generation, economic development and poverty eradication. Most countries in the developing

world had missed out on the opportunities it presented owing to a variety of factors, including resource constraints, lack of capacity-building assistance and lack of transfer of technology and know-how. Many developing countries that had begun to make progress in recent years had relied on industrial development, as evidenced by the development of previously stagnant economies.

55. Second, inclusive growth played a significant role in achieving poverty eradication, which had been recognized as the greatest challenge facing the world and an indispensable requirement for development.

56. Third, many countries had seen a growing disparity between growth and employment. Jobless growth, especially in the LDCs, had led only to increased social instability. Employment creation must therefore be at the centre of growth strategies. Inclusive and sustainable industrial development had the potential to contribute to that objective.

57. Fourth, industrial development must not lead to environmental degradation, as had previously been the case. It was essential that environmentally friendly technology be used in the industrialization process. It was possible for economies to develop while ensuring protection of the environment through the careful balancing of approaches. UNIDO had a vital role to play in identifying and facilitating access to such environmentally friendly technologies, and the establishment of the Green Industry Platform was a positive step in that regard.

58. Fifth, information and communication technology provided the foundation for modern innovation, production and marketing and could provide a convenient bridge from underdevelopment to development. The linking of such technology and industrialization was essential, and was indeed a key factor in the success of developing countries that were making rapid progress. Related expertise could be shared through South-South cooperation activities.

59. **Mr. Rashid** (Pakistan) said that poverty and the many complex issues it raised continued to be the greatest development challenge that the world faced, despite the progressive growth of the global economy and outstanding levels of scientific and technological progress. Access to basic amenities, education and health services and decent jobs remained elusive for many people, even in growing economies. Growth was

therefore necessary but not sufficient to ensure poverty reduction; it must be inclusive and complemented by measures and policies to increase productivity in a sustained manner.

60. The ongoing global financial and economic crises and their impact on developing countries, particularly on the industrial sector, underscored the importance of a collective response in order to achieve sustained growth and employment generation. All States should be involved in addressing the challenges of inclusive, sustainable and equitable development and in efforts to change prevailing patterns of production and consumption based on consumerism and disregard for the environment.

61. As sustainable development goals and the post-2015 development agenda were being defined, Member States had a unique responsibility to ensure that UNIDO continued to be recognized as an indispensable part of the international development mechanism and that the Organization's plans and strategies for industrial progress incorporated, in a balanced way, the three dimensions of sustainable development. The Lima Declaration would enable UNIDO to give meaningful impetus to the shared objectives of inclusive and sustainable industrial development.

62. UNIDO was to be commended for the work it had carried out in Pakistan since establishing its office in Islamabad in 1968, including the implementation of more than 100 projects. The UNIDO Trade Related Technical Assistance Programme would contribute to the economic integration of Pakistan into global and regional trade. Its sustainable energy production project would provide households in Sindh province and SMEs in Punjab province with electricity, thus helping to address the critical energy shortage in Pakistan, which was responsible for the reduction of capacity in some key industries by up to 50 per cent.

63. Lastly, he expressed his delegation's unqualified support for the "Strategic Guidance Document", which was the product of the hard work and time invested by Member States in the extensive process of elaborating the Organization's conceptual and operational framework and would be of enduring value in the Organization's resource and programme structure.

64. **Mr. Touma** (Syrian Arab Republic) said that cooperation between the Syrian Arab Republic and

UNIDO in the elaboration of strategies and policies and the strengthening of supporting institutions had developed significantly in recent years. Cooperation in a number of areas was also provided for in the Industrial Modernization and Upgrading Programme launched in July 2007 under the auspices of UNIDO and with funding from Italy. A comprehensive strategy for the modernization of all sectors and supporting institutions of Syrian industry had been established, and the textile and clothing sector had been selected as a starting point for the modernization process in view of its importance to the Syrian economy, industry and people. A special strategy for the development of that sector had been defined and the necessary supporting institutions had been established, including 36 SMEs, three of which were public-sector companies. Despite the terrorism that had struck the Syrian Arab Republic and the withdrawal of funding by Italy, the Syrian Arab Republic had allocated 1.5 million euros for the second phase of the Programme, which reflected the country's confidence in UNIDO and demonstrated its interest in continuing its cooperation with the Organization.

65. UNIDO had also supported the Syrian Arab Republic in the Agro-Industrial Special Economic Zone (Agropolis) in Al-Ghab through the Al-Ghab Development Programme, which was being implemented jointly with FAO, the United Nations Development Programme (UNDP) and six Syrian industries, including the Ministry of Industry. Many industrial units had been established, including a dairy industrial plant and many small enterprises. However, the Programme had been halted owing to the prevailing conflict situation.

66. Complementarity and coordination of domestic, regional and international policies was an extremely important tool for sustainable industrial development. Environmentally sustainable industrialization was more important than ever before, particularly in the processing industries, in view of rapid population growth and increasing demand for products and resources.

67. The Syrian Arab Republic relied a great deal on cooperation with UNIDO, particularly with regard to the processing industries. Industries were being reviewed in their entirety with a view to a process of restructuring that would enable them to participate more effectively in industrial development and modernization. The Syrian Arab Republic needed

UNIDO assistance more than ever, and the human and social aspects of its industrial development and modernization required special attention in view of the great suffering caused by terrorism. The Government had sought to address the difficult political, economic, human and social conditions of the past three years by introducing legislation aimed at meeting the needs of society and fostering sustainable development. The Syrian Arab Republic was grateful to UNIDO for its support and looked forward to further joint activities that would contribute to the effective and speedy implementation of industrial reform and the rehabilitation and modernization of Syrian industry.

68. *Mr. Azeez (Sri Lanka), Vice-President, took the Chair.*

69. **Mr. Fernandez di Maggio** (Uruguay) said that his country had achieved a high level of human development and steady growth since 2005. Foreign direct investment had grown exponentially during the same period. That progress was due in large part to democratic stability, economic predictability, a climate conducive to business, good governance, reliable, efficient and transparent business administration and legal security for investment with clear and transparent regulation. It was also due to policies that favoured domestic and foreign private investment and investment by public bodies responsible for energy and telecommunications. Uruguay strove for industrial development that added value, created more jobs, improved salaries and generated more markets and export destinations.

70. Uruguay strongly supported the development of environmentally clean industries, such as information and communication technology and industrial design. Micro, small and medium-sized enterprises had been strengthened and represented more than 90 per cent of all Uruguayan businesses. They also employed more than 60 per cent of the industrial sector workforce. Uruguay had subsidized various industrial sectors, created industrial parks and built high-tech laboratories; it had also supported academic development in order to improve industrial capacity. As a result, purchasing power and annual per capita income had greatly increased, the domestic market had been strengthened and poverty and inequality had been reduced. The two lowest-income deciles of the population had doubled their income since 2005, and income distribution overall had become more

equitable. Those achievements were attributable not only to economic policies but also to social policies and Government action in pursuit of poverty eradication.

71. In 2008, Uruguay had established a Production Cabinet, which comprised several ministries and the Planning and Budgetary Office and which was responsible for developing a national industrial development strategy for the period up to 2030. The aim of the strategy was to bring existing institutions together under a new framework that focused both on the definition of industrial development policies based on medium- and long-term objectives by sector and on the removal of barriers, bottlenecks and market shortcomings that affected production processes. In view of the ongoing effects of the global economic and financial crises, the adoption of new industrial policy measures was needed in order to enable work on growth potential, technological advancement, decent job creation and the diversification of products and exports to continue. The establishment of clear targets on the basis of strategic objectives facilitated the identification of industrial policies that went beyond increasing macroeconomic aggregates (growth, employment and foreign direct investment) and facilitated the configuration of a new production structure for 2030 as a basis for more inclusive development in Uruguay.

72. The energy policy of Uruguay for the period up to 2030 gave special attention to local sources of energy and renewable energy in particular. The advantages of diversifying energy sources and providers included lower costs, reduced dependence on oil and the promotion of energy independence as part of a sustainable strategy. The policy aimed to source 50 per cent of energy from renewable sources, including at least 25 per cent from non-traditional renewable sources. A significant increase in the use of wind, biomass and solar energy, the introduction of ethanol and biodiesel and progress made in reducing demand for energy and increasing energy efficiency all indicated that those goals would be met in 2015, placing Uruguay in the vanguard of renewable energy and making it a driving force for transformation of the energy sector.

73. The relationship between Uruguay and UNIDO had flourished in recent years. One important area of bilateral cooperation was the work of the Modular

Agro-Industrial Centre of Excellence, which was financed entirely by Uruguay, in industrial automation and mechatronics. With UNIDO support, an industrial centre was being established to promote the capacity of business to foster the development and technological advancement of the food production, metallurgy and plastics sectors. Uruguay hoped to implement jointly with UNIDO a recently approved Global Environment Facility (GEF) programme that converted waste into energy. In direct cooperation with UNIDO, Uruguay was seeking a low emissions model based on appropriate technologies.

74. While those policies and efforts showed the way forward, they were not sufficient in themselves. A country could grow and become a developed society only with the help of research and innovation that benefited productive and social processes.

75. The challenge faced in implementing the industrial model that was required in order for development to be achieved within the context of the current globalized economy was to bring more new technologies, particularly information and communication technologies, and new forms of energy into production and to provide the production workforce with technical and other relevant training. Uruguay counted on the assistance of UNIDO in achieving those objectives.

76. In conclusion, he welcomed the Organization's support for and role in implementing projects both in Uruguay and in the wider region and, in that context, the establishment of a regional office of UNIDO in Montevideo.

77. Mr. Gyawali (Nepal) said that the Nepalese people had long been expecting a stable, efficient Government to design and deliver an economic development agenda enabling Nepal to graduate from its status as a least developed country to that of a developed country within the next 10 years. The theme of the fifteenth session of the General Conference was appropriate because LDCs had been suffering as a result of unsustainable and inequitable economic growth and industrialization. Little attention had been given to the individual political or economic circumstances of LDCs. UNIDO had taken the correct approach to remedying that situation and was urged to help those countries most in need of its support through sufficient technical assistance and knowledge transfer.

78. Nepal had initiated policy, legal and institutional reform to increase the share of industry in GDP, that share currently standing at less than 7 per cent. Laws on industrial administration and regulation, including those concerning foreign direct investment, were being revised, new laws on intellectual and industrial property rights were being drafted and new institutional arrangements for providing one-stop services to entrepreneurs and investors were being defined. Domestic governance, stability and commitment and generous external support tailored to the needs and priorities of Nepal were now needed.

79. Even small-scale reform had positive effects. A mandatory online company registration system, introduced earlier in 2013, had increased the global Doing Business ranking of Nepal, while the establishment of a high-level investment board to facilitate large-scale projects and boost export-oriented industries had given Nepal confidence to develop large manufacturing industries. However, the challenge of sustaining such reforms inclusively and equitably remained to be overcome. In view of the urgency of the need for development in Nepal, guidance was needed in striking the right balance between development and environmental protection and in ensuring that industrialization did not lead to large divides between rich and poor, rural and urban.

80. Industrial development in Nepal should take a two-pronged approach. While large-scale private-sector investment was to be encouraged in order to accelerate economic growth, for which the Government would provide policy, legal and regulatory facilitation and invest, where necessary, using public-private partnerships, the Government should be the first to invest resources to tackle poverty. Programmes to develop micro, small and medium-sized enterprises should be replicated both in Nepal and in other countries with a similar level of development. One such programme, the Micro-Enterprise Development Programme, implemented by the Government of Nepal and UNDP, had been a great success in Nepal, enabling more than 300,000 people to earn a decent living.

81. He urged UNIDO to help Nepal to help itself. The renewable and clean energy potential of Nepal was immense and untapped. Industries could and should be provided with incentives to motivate them to develop and use renewable energy sources. They should be both green and clean and their products should have the

smallest possible carbon footprint, but affordable, cost-effective and reliable technology was needed to achieve those goals. UNIDO should take the lead in that regard.

82. **Mr. Savunov** (Belarus) said that while the use of industrial development as a strategy for economic growth, as provided for in the Lima Declaration and Plan of Action of 1975, had made it possible for the international community to achieve some success in eradicating poverty and addressing social problems, intensified efforts were needed to tackle issues that remained high on the global agenda, such as unequal economic opportunities, access to resources and environmental problems.

83. Belarus welcomed the intergovernmental negotiations on the post-2015 development agenda, aimed at achieving inclusive and sustainable industrial development. UNIDO, given its unique mandate, should focus its efforts on providing support to Member States in that regard.

84. The elaboration of sustainable development goals was important, since those goals would guide States on the route to sustainable development and ultimately replace the MDGs. That process should be accompanied by an evaluation of the capacity of middle-income countries to achieve sustainable development.

85. Belarus highly valued the new Lima Declaration, which gave impetus to the elaboration of the post-2015 development agenda and the strengthening of the role of UNIDO in that process, and welcomed its appeal to the international community to give due attention to countries at varying stages of development, including middle-income countries.

86. Cooperation with UNIDO was very important to Belarus. Innovation was vital for the industrial, social and economic development of every State, and Belarus accorded particular attention to innovative activities as part of its industrial development. Belarus was striving to introduce new, cutting-edge technologies that facilitated the creation of new types of goods and services, environmentally friendly resources and products and the modernization of manufacturing processes in order to make the national economy more competitive.

87. He was confident that the implementation of the Framework Programme of Cooperation between

Belarus and UNIDO, signed in October 2013, would greatly facilitate the development of industry and innovation in Belarus, and his country looked forward to fruitful cooperation in areas including energy and the environment, investment and technology transfer, the development of SMEs, enhanced quality infrastructure and the strengthening of agro-industry and the automobile sector.

88. Increased technical cooperation would enable UNIDO to respond appropriately to the needs of Member States and provide effective and targeted support for their industrial development priorities and strategies.

89. **Mr. Deleuze** (Bolivarian Republic of Venezuela) expressed support for the role of UNIDO in combating poverty and strengthening economies while also addressing social and environmental issues. The MDGs must be achieved in all countries in order for the international community to be able to define an effective post-2015 development agenda.

90. The Bolivarian Republic of Venezuela was continuing its process of transition to a participatory and proactive democracy and of building a new domestic economic order. A production model based on socialist values and drawing on various ownership models — private, government, social and ancestral — was being established.

91. The socialist production model set out in the Simón Bolívar National Project for 2013-2019 provided for the establishment of socialist production enterprises, which were economic entities, engaged in the production of goods and services, in which employment was meaningful, social discrimination and privileges based on hierarchy did not exist and equality was ensured through participatory and proactive planning.

92. In order to consolidate and further participatory democracy, the value of human life and of each individual must be upheld and protected, and, together with solidarity, must come before capitalist values. Those principles should be gradually incorporated in the Organization's activities and in the elaboration of post-2015 goals.

93. Debate and action at the national and international levels should be intensified in order to change, through UNIDO and other multilateral forums, the predatory development model imposed by

capitalism over the past three centuries as a result of the expansion of the market economy. Immediate and long-term action was needed to restore environmental balance and achieve environmentally clean and socially sustainable production and other economic processes, and thus to achieve inclusive and sustainable development.

94. As part of the United Nations system, UNIDO should support the construction of a new international ethical and social architecture, which would help to define the post-2015 development agenda.

95. Industrial development would not be possible unless sovereignty over natural resources and the right to use and manage those resources with a view to achieving inclusive and sustainable development was guaranteed. Mechanisms for the integration and unity of States played a fundamental role in creating an environment conducive to development.

96. While it was important that middle-income countries should pursue economic development in harmony with nature, such an approach entailed considerable cost, whereas high-income countries, which had already achieved industrialization, had avoided such a financial burden through ignorance of, or disregard for, the impact of their industrialization processes on the environment. The industrialized countries should therefore assume responsibility for environmental degradation by transferring resources and cutting-edge technology in order to create clean, sustainable and safe industry. In that regard, South-South cooperation could assist the Latin American region in addressing the major challenges of globalization.

97. Economic growth alone did not generate development, and the error of pursuing development at all costs should not be repeated. Mechanisms to foster complementary and inclusive production processes should be developed. The aim of industrial development should not be to benefit the macroeconomy but rather to benefit all peoples.

98. **Mr. Orzechowski** (Poland) said that, over the past 20 years, industry had played a fundamental role in helping Poland to make the transition from its status as development aid beneficiary to that of net contributor to international development. Of all the European Union Member States, Poland had the largest share of GDP accounted for by industry and was the

only Member State that had survived the economic and financial crisis with a steadily growing economy. Industry was the key to those achievements.

99. Manufacturing capacity was highly relevant to national economies, as was the mandate of UNIDO. The Organization's relevance was also reflected in the growing demand for UNIDO services. In that regard, he welcomed the continuous increase in UNIDO technical cooperation activities.

100. Poland urged UNIDO to continue to carry out its activities with due respect for the principles of efficiency and accountability. It was essential to ensure a results-based approach and to give particular attention to the developmental impact of projects.

101. There had been numerous positive developments in cooperation between Poland and UNIDO, including the financing by Poland of the Organization's regional training programme on trade capacity-building in Central Asia. The aim of the programme was to strengthen the national capacities of the Central Asian countries in the areas of trade and modern, quality infrastructure. The first training module, held in Kyrgyzstan, had been greatly appreciated by the participating countries, and Poland looked forward to hosting the second module.

102. Poland had also assisted in the implementation of a UNIDO project on strengthening the fruit and vegetable subsectors in Tajikistan, which was expected to bring about tangible results in the creation of jobs and the development of the food sector. Furthermore, it had supported UNIDO activities in the field of environment and energy, in particular the Green Industry Initiative and the Green Industry Platform. In 2013, Poland had supported UNIDO for a third time in organizing the Vienna Energy Forum, which provided an excellent platform for the discussion and exchange of ideas and raised the Organization's international profile.

103. Poland greatly appreciated the efforts, dedication and commitment of UNIDO and its staff to the successful implementation of the Programme for Change and Organizational Renewal and encouraged the Organization to take advantage of the opportunities offered by the Enterprise Resource Planning system to improve decentralization, enhance information monitoring and develop knowledge-sharing. Continued

change management reform was also of great importance.

104. Mr. Kim Hak Chol (Democratic People's Republic of Korea) welcomed the Organization's thematic priorities and its efforts to strengthen technical cooperation for the benefit of developing countries. UNIDO was to be commended for persisting in its efforts to ensure the effectiveness of its activities and strengthen its capacity in spite of the global financial and economic crisis and the decrease in funding owed in part to the withdrawal of some Member States from the Organization. It was also to be praised for the measures it had taken to develop its activities to promote green, clean and competitive industries and the transfer of renewable energy technologies.

105. It was important that UNIDO should continue to seek to ensure optimal conditions for industrial development in its Member States by addressing, inter alia, the challenges of social inequality, unemployment, poverty and climate change. The theme of the General Conference session was highly relevant in the establishment by the Member States of a common position with regard to the post-2015 sustainable development goals.

106. The strengthening of the self-sufficiency of national economies and the achievement of sustainable development were objectives shared by all developing countries. He urged UNIDO to give priority to providing those countries with the assistance necessary for their economic and technological development, without discrimination. The Organization should also take practical measures to improve infrastructure, promote technical innovation, improve productivity and strengthen trade capacity for their inclusive and sustainable development.

107. In that regard, his delegation greatly appreciated the Organization's preparation of its programme and budgets for 2014-2015 not only without placing an additional burden on its Member States but also without detriment to its cooperation activities, despite its difficult financial situation.

108. UNIDO should strengthen its role as agency for cooperation in the area of energy and the environment in order to contribute to the development of green industry worldwide. In order to achieve the post-2015 sustainable development goals, it should take measures

to strengthen the transfer of clean technologies and provide financial support for developing countries to that end.

109. UNIDO should also strengthen its partnerships with other international organizations, such as UNDP, and with developed and developing countries in order to step up South-South and North-South cooperation.

110. The Democratic People's Republic of Korea was actively striving to establish a prosperous socialist State and revitalize the national economy with a view to becoming a knowledge-based economic power. It would continue to strengthen its cooperative relations with all Member States and would participate actively in the efforts of the international community to achieve global peace and the shared prosperity of all nations.

111. **Mr. Harnhiron** (Thailand) said that the Member States were present in Lima to reaffirm their conviction, as expressed in the Lima Declaration and Plan of Action of 1975, that industrialization was an essential driver of inclusive and sustainable development. Industrial development had been recognized as one of the key contributions to achievement of the MDGs and would undoubtedly remain a key factor in the post-2015 development agenda.

112. Great progress had been achieved in development since 1975. However, despite improved quality of life, the international community must accept that the problems of poverty and social inequality had yet to be overcome. The globalized world faced a number of complex challenges, including climate change, environmental degradation, pandemics and economic crisis. A problem in one country or region could affect several other parts of the world. It was therefore important to address those common challenges jointly and ensure that all stakeholders were involved.

113. Thailand fully endorsed the new Lima Declaration and was confident that UNIDO would continue to assist its Member States in achieving enhanced levels of inclusive and sustainable industrial development.

114. In the past two decades, Thailand had experienced many challenges to its development, including the regional financial crisis of 1997, the bird flu epidemic of 2003, the tsunami of 2004 and one of the worst floods in its history in 2011. The global economic crisis had led to adjustments in rules and

regulations relating to trade, investment, finance and environmental and social matters. In order to enhance their competitiveness, Thai entrepreneurs had had to improve their production processes and business practices while incorporating the elements of corporate social responsibility and fair competition. In addition, economic cooperation initiatives such as those of the Economic Community of the Association of Southeast Asian Nations had affected various aspects of the economic, industrial and social development of Thailand, not least the development of human resources. In addressing those issues, Thailand counted on the expertise and assistance of UNIDO in the areas of technical cooperation, standards and compliance, action-oriented research and policy advisory services.

115. With regard to the three pillars of sustainable development, namely economic development, social development and environmental protection, the moderation approach — whereby economic development and environmental conservation were well balanced — was the key to sustainability and resilience.

116. His country's development strategy had shifted from a growth-oriented to a more holistic, people-oriented approach whereby creativity and knowledge were used as drivers of growth. In addition to its growth and competitiveness strategy, Thailand was focusing on the promotion of inclusive and green growth as a means of achieving sustainable development, and trusted that UNIDO would continue to play its important role in providing the assistance necessary to achieve those objectives.

117. With regard to sustainable production and industrial resource efficiency, Thailand welcomed the increasing emphasis placed by UNIDO on green industry and the use of and access to sustainable energy and appreciated the organization of the Green Industry Conference 2013.

118. Three years previously, the Ministry of Industry of Thailand had launched a green industry scheme. To date, the scheme had attracted increasing attention from the industrial community and the involvement of local communities.

119. A further effort towards inclusive and green growth was the development of "eco-industrial towns", inter alia through cooperation with other countries that were implementing eco-city initiatives.

120. Both the Green Industry Scheme and the eco-industrial town project were good examples of the role that industrialization could play, if managed correctly, in driving inclusive and sustainable development and thus contributing to poverty eradication. Industrialization created decent productive employment, generated income and facilitated social integration, and unquestionably played a key role in maintaining social stability and cohesion.

121. The significant impact of climate change must be addressed. UNIDO could play an active role in providing immediate assistance to Member States in need of recovery, specifically the recovery of their industrial sectors, in the event of a natural disaster such as the floods that had struck Thailand in 2011.

122. Thailand firmly supported the Organization's constructive role in promoting inclusive and sustainable industrial development, and was convinced that UNIDO would continue to adapt effectively to changing circumstances and new challenges. The involvement of Member States and other stakeholders in determining the Organization's future role and activities was crucial. Thailand stood ready, as always, to continue to work closely with UNIDO and other Member States in advancing the Organization's agenda for the benefit of all.

123. **Mr. Marizane** (Mozambique) said that the current session of the General Conference illustrated the commitment of the United Nations system to addressing the special needs of the LDCs and helping them to integrate in the global economy, achieve sustainable economic development and alleviate poverty.

124. Mozambique had benefited from the Organization's assistance in various areas, in particular trade capacity-building, resource efficiency, cleaner production and the productive use of energy.

125. While globalization had offered unprecedented opportunities, some countries had been unable to reap its full benefits. Economic growth depended on improved supply-side capacity and competitiveness in the public and private sectors. Improved trade and investment policies and a better business environment were essential in order to attract both domestic and foreign direct investment.

126. Capacity-building, technology transfer and innovation facilitated economic growth and

development and could be achieved through UNIDO assistance. Mozambique continued to face challenges relating to its lack of skilled labour, obsolete technologies and limited institutional capacity, which had a negative impact on its main national value chains. However, it had important mineral resources that, if used properly, could contribute to sustained economic growth.

127. Mozambique was committed to working with its partners to ensure the implementation of the Istanbul Programme of Action for the Least Developed Countries, which represented a commitment by the United Nations and its development partners to help the LDCs to change their economic structures, diversify production and increase their competitiveness.

128. The Government of Mozambique had been working to create an investment- and business-friendly environment through the adoption of various economic, trade and industrial policies. All measures were focused on achieving the MDGs. Through the implementation of its Country Programme Document, Mozambique expected to deliver results in areas relating to sustainable agribusiness and agro-industries, SMEs — with emphasis on the participation of women and young people — and access to energy, including renewable energy, for productive industries.

129. Mozambique was committed to strengthening its cooperation with UNIDO in order to increase its productive capacity, improve livelihoods and achieve sustainable development.

130. *At the invitation of the President, the Conference observed a minute of silence in tribute to the memory of Nelson Mandela.*

131. **The President** expressed his deepest condolences to the people of South Africa and the wider region and all those whose rights and freedoms Mr. Mandela had stood for during his lifetime.

132. **Mr. Jeong Jinkyu** (Republic of Korea) also expressed his condolences to the Government and the people of South Africa on the death of Nelson Mandela.

133. The tireless work of UNIDO had contributed to poverty reduction in the LDCs and middle-income countries and improved livelihoods in numerous developing nations. He commended the

Organization for its commitment to achieving sustainable development by stimulating public-private partnerships and technological cooperation in an environmentally-friendly manner.

134. Many developing countries could learn from the experience of the Republic of Korea with regard to economic growth. It had undertaken Government-led industrial development with the cooperation of the private sector and, despite scarce natural resources, had achieved remarkable growth through technological innovation, focusing on increasing the productive capacity of rural communities in a range of strategic fields. It had thus managed to transform socioeconomic challenges into opportunities.

135. UNIDO should give priority to an economically transformative agenda that promoted sustainable and inclusive growth in developing countries, underpinned by human-resource development, technological progress and innovation.

136. In order to address extreme poverty around the globe, it was vital to build the productive capacity of LDCs so as to facilitate their structural transformation, social development and environmentally sustainable technological advancement. The commitment of UNIDO should guide the global community in addressing the inclusive and sustainable industrial development issues of the post-2015 development agenda, strengthening partnerships among stakeholders and implementing efficient environmental policies.

137. His country's Government had participated in global efforts to achieve such development. Future joint policies implemented by the Republic of Korea and relevant organizations could support developing countries in incorporating green and sustainable elements into their national policy priorities.

138. The Republic of Korea wished to continue to engage in development activities in partnership with UNIDO. It was currently implementing two projects jointly with the Organization in Cambodia, and hoped that those projects would serve as a good example of environmentally friendly technological support and public-private partnerships in developing countries.

139. Thanks to the global community's support, the Republic of Korea was now a donor rather than a recipient State, which was why it took a keen interest in poverty eradication and economic growth in developing nations. It was ready to share its industrial

development experience and use the Least Developed Countries Strategy and Operational Plan, 2012-2020, as a means of offering development cooperation to the developing world.

140. The Republic of Korea would continue to participate in UNIDO partnership activities and support the Organization's laudable efforts to achieve inclusive and sustainable industrial development, and looked forward to working with the global community to eradicate extreme poverty.

141. **Mr. Vodicka** (Czech Republic) said that the Czech Republic had a long history of cooperation with UNIDO, and development cooperation was a fundamental element of its foreign policy.

142. He commended UNIDO for its continued efforts to increase its efficiency and productivity and for its excellent work in preparing the "Strategic Guidance Document", which should be put into effect as soon as possible. The Czech Republic participated actively in the work of UNIDO at all levels, including through its membership of the Industrial Development Board and its participation in individual development projects. It had extensive expertise, primarily in the fields of environmental protection, water and sanitation, good governance and support of civil society. The country could offer a valuable contribution to programmes dedicated to countries with transition economies, and was ready to share its wealth of past experience in privatization and the creation of good business environments. It could also help to devise strategies for public administration reform, private-sector development, new forms of public-private partnership, democratic governance and institutionalization.

143. The Organization's knowledge and expertise in the field of inclusive industrial development was a valuable source of inspiration for the development cooperation activities of the Czech Republic, for example, in enabling partner countries to emerge as effective trading partners in the global market.

144. The Czech Republic welcomed the role of UNIDO in supporting the implementation of the MDGs, which constituted the most successful global effort in history to combat poverty and had contributed to raising public awareness, creating political will and mobilizing resources. While some of the Goals had been met and others were within close reach, the results were not consistent among countries. The future

development agenda should build on the successes of the MDGs and bring together various development actors. The Czech Republic supported a single, overarching post-2015 framework that focused on poverty eradication and the promotion of sustainable development. It called for the full integration of all relevant international processes, in particular the assessment of the MDGs and the work of the Open Working Group on Sustainable Development Goals. The future goals should be universal but realistic, taking into account the conditions in each country. They must also be achievable and measurable.

145. The Czech Republic noted with satisfaction the emphasis that UNIDO placed on inclusive growth. The role of sustainable energy was in line with its current priorities. UNIDO should continue to promote access to clean energy for productive uses, energy efficiency and energy-efficient industrial technologies. It should also strongly advocate the post-2015 goals and help partner countries to introduce good practices and successful solutions with regard to environmental challenges.

146. **Mr. Hassane** (Niger) said that the presence of the President of Peru, the Secretary-General of the United Nations, high-level members of various regional and international organizations and numerous ministers of industry of the UNIDO Member States at the Conference illustrated the commitment of those Member States to the Organization and confirmed the importance they attached to achieving the Organization's objectives. Thirty-eight years after the second General Conference had been held in Lima, Member States had returned to reaffirm their conviction that inclusive and sustainable industrial development contributed to the diversification of economies and remained key to economic growth and poverty eradication. Industrial development challenges were more central than ever before to the concerns of the international community.

147. Niger commended the role played by UNIDO in facilitating the transfer of technologies and competencies with the aim of increasing quality of life.

148. Niger was one of the poorest countries in the world, but had significant reserves of natural resources. Its mineral resources could facilitate rapid economic growth in the near future, and Niger intended to use the resulting revenue wisely, investing it in sustainable development in order to improve its people's

well-being. With that aim in mind, it was using the economic diversification approach devised by UNIDO in order to ensure fair and lasting development.

149. Niger also had significant agricultural resources. The development of rural areas and value addition in the agricultural sector were central to the country's "3N" ("Nigériens nourish Nigériens") initiative to strengthen agricultural capacity and food security, which was being implemented in association with UNIDO. The Organization's vision of inclusive and sustainable industrial development had also led to the African Agribusiness and Agro-Industries Development Initiative, through which Niger intended to strengthen its vital farming sector and thus work to achieve its food security objectives and ensure socioeconomic progress.

150. The traditional farming sector indeed affected the whole population. New transformation processes, the economic empowerment of young people and women and improvement of the quality, packaging and storage of products were concrete actions that could add value and improve quality of life in rural areas.

151. The relevant institutions of Niger were ready to contribute to the efforts of UNIDO experts with a view to mobilizing the necessary financial resources for the implementation of the newly adopted Country Programme, which was a Government priority.

152. Niger was committed to the LDC Strategy and Operational Plan and the Lima Declaration. The Declaration should be an important element in the post-2015 development agenda and should enjoy the strong support of the international community, particularly financial support.

153. **Ms. Herman Bilia** (United Republic of Tanzania) joined previous speakers in expressing condolences to South Africa on the death of Nelson Mandela.

154. Industrial development was a key factor in bringing about structural change, sustained economic growth and poverty eradication. The United Republic of Tanzania had been putting in place various measures to enhance the pace of industrialization, reorganizing and reorienting industrialization processes as a tool for inclusive and sustainable growth.

155. The industrial agenda had been given top priority at the national level. The Tanzania Development Vision 2025 was aimed at creating a

semi-industrialized economy strengthened by supportive industrial and service activities. The Five-Year Development Plan for 2011-2016 aimed to build the foundations of self-propelling industrialization and export-led growth. Both domestic and foreign direct investment were given top priority through the Tanzania Investment Policy, which also highlighted the importance of clusters in addressing infrastructure challenges.

156. Since much of the country's population depended on agriculture, the United Republic of Tanzania was implementing measures that targeted value addition in that sector, thus creating wealth. The Southern Agricultural Growth Corridor of Tanzania, an agricultural partnership supported by various development partners, was focused on areas with an abundance of arable land, water and minerals, good capacity for power generation and access to roads and railway lines. Activities carried out within the framework of the partnership would be enhanced to ensure inclusive growth and wealth creation and facilitate technology transfer. She invited interested potential partners to invest in the Corridor.

157. A further area of focus was the development of SMEs, which fostered industrial development and created job opportunities. SMEs accounted for around 94 per cent of businesses in Tanzania, of which around 54 per cent were owned by women, and represented around 27.9 per cent of the country's GDP. She hoped that UNIDO and other development partners would continue to support and ensure the sustainability of SMEs through technical assistance.

158. The United Republic of Tanzania was also focusing on the role of women and young people and fostering the development of skills and entrepreneurship, while also considering environmental concerns.

159. With regard to the MDGs, she expressed appreciation to her country's development partners and welcomed the fact that notable improvement had been achieved in the social sector. However, poverty remained a challenge in the United Republic of Tanzania. In order to address the current situation and to meet future challenges, the post-2015 development agenda must take into consideration all three dimensions of sustainable development, namely economic growth, environmental sustainability and social inclusiveness and equality.

160. The United Republic of Tanzania greatly appreciated the Organization's activities at the national level. UNIDO had been focusing on environmental and energy-related issues, support for SMEs and activities relating to women and young people. It had also been working in the areas of capacity-building in evidence-based policy formulation and industrial competitiveness, technology upgrading and assistance for industries in improving their efficiency while establishing linkages between suppliers and major buyers. UNIDO was also working closely with relevant stakeholders in ensuring successful implementation of the African Agribusiness and Agro-Industries Development Initiative. She expressed the hope that the Organization would maintain such efforts.

161. She also expressed the hope that the country's various partners, in particular Brazil, the Russian Federation, India, China and South Africa (the "BRICS countries"), would open up their markets without imposing stringent conditions relating to processed products from the LDCs. That would put an end to the practice of commodity trading in developing countries, which led to an unbalanced and uncompetitive business environment and prevented sustainable partnership. The United Republic of Tanzania was committed to integrating the issues raised in the Lima Declaration in its national strategies in order to achieve the desired goals relating to human development, poverty reduction and inclusive and sustainable industrial development.

162. **Ms. Al Hamdi (Oman)** said that UNIDO played a key role in accelerating sustainable industrial development in accordance with the needs of Member States. She welcomed the Lima Declaration and the Organization's efforts to help to define the post-2015 development agenda.

163. Member States should strengthen their cooperation with the Organization in order to benefit from its various activities. Such cooperation was important for the implementation of national projects that were tailored to the needs of Member States, with a particular focus on the three dimensions of sustainable industrial development.

164. In spite of varying population sizes, priorities and levels of development, there were many similarities between Arab States in terms of development and resources. They had similar needs with regard to employment, the participation of women and young

people, support for entrepreneurship, poverty alleviation, capacity-building and technology transfer. In that regard, she stressed the importance of continued cooperation between the Arab States and UNIDO in industrial modernization, support for agro-industry, support for the Arab States in attracting foreign direct investment and increasing the capacity of industries, especially agro-industry. Cooperation between UNIDO and the Arab Industrial Development and Mining Organization was also important.

165. Moreover, further attention should be given to capacity-building, which provided opportunities to achieve rapid success by enabling States to implement national projects and benefit from regional projects.

166. Oman looked forward to the continued implementation of the Arab programme, with due account taken of the common development issues facing the Arab States, and particularly to policymaking support.

167. The return of UNIDO Member States to Lima was highly symbolic. She was confident that discussions would remove any obstacles to industrialization and enable Member States to achieve higher levels of technical cooperation.

168. **Mr. Phangaphanga** (Malawi) said that his country, as current Chair of the Southern African Development Community, wished to express its deepest condolences to South Africa on the loss of Nelson Mandela.

169. The outcomes reflected in both the LDC Ministerial Meeting Declaration and the Lima Declaration were timely and relevant.

170. Malawi continued to cooperate with UNIDO under key programmes, particularly the standards, quality assurance, accreditation and metrology (SQAM) project under the Malawi Bureau of Standards. The project showcased what was perhaps the Organization's greatest strength, namely support for the global revitalization of quality infrastructure.

171. Malawi had developed a national export strategy, to be expanded under a new manufacturing policy that aimed to rejuvenate industrialization, in the implementation of which it hoped to count on UNIDO support. It had also developed a national quality policy with UNIDO assistance.

172. Malawi greatly appreciated the Organization's current work on the Industrial Development Report, the Connectedness Index and its other extremely useful knowledge products. However, additional follow-up activities should be carried out with regard to such products as the Investment Promotion Platform in order to ensure continued usability and review the extent of private-sector use. The generation of knowledge products would be more beneficial if their effective use and follow-up was ensured. Given the fact that a number of years had passed since the Investment Promotion Platform had been developed, it was imperative to carry out a review of its outcomes.

173. Lastly, UNIDO should strengthen its presence in Malawi through the establishment of a representative office in order to improve coordination of its activities and thus improve delivery and reduce costs.

174. **Mr. Baumann** (International Trade Centre (ITC)) said that the Conference was addressing issues that were fundamental to the economic transformation of the LDCs and their sustainable and inclusive development.

175. Two years had passed since the adoption of the Istanbul Programme of Action for the Least Developed Countries, and it was time to take stock of the progress made in its implementation. Recovery from the global economic meltdown had been slow and there had been a reduction in overseas development assistance. That had also had a negative impact on aid-for-trade flows to the LDCs.

176. After more than three decades of collective action to assist the LDCs, those countries continued to suffer from structural challenges that prevented them from making significant gains in international trade.

177. ITC shared the Conference's commitment to inclusive and sustainable industrial development and fully subscribed to the Lima Declaration.

178. The phenomenal economic rise of a number of emerging economies had shown that industrial and trade development could transform economies, create jobs and bring about prosperity. Economic growth required sound market-led policies, a nurturing business environment, strong institutions and the right mix of good human resources, appropriate technology and financial investments.

179. As a joint agency of the World Trade Organization and the United Nations, ITC helped SMEs in developing countries to become more competitive in global markets, thus creating jobs, particularly in poor communities and for women and young people. It contributed to several of the MDGs and its work covered all areas that helped developing countries to reap the benefits of trade. Production processes had become more complex, and much trade was currently carried out through global value chains. ITC helped developing countries not only to integrate in regional and global value chains but also to retain a greater share of the resulting value.

180. ITC contributed actively to the achievement of the objectives enshrined in the Istanbul Programme of Action. The LDCs had accounted for around 60 per cent of the technical assistance provided by ITC in 2012 and would remain a priority.

181. ITC had a long history of cooperation with UNIDO and the two agencies had collaborated on various projects around the world. In Benin, they were working with the United Nations Conference on Trade and Development (UNCTAD) to develop a project under the Enhanced Integrated Framework, which aimed to promote agribusiness and boost production and exports by building the capacities of trade support institutions and enterprises. It included the establishment of industrial partnerships, the use of trade intelligence and the activation of market opportunities with international buyers.

182. ITC had also built a stronger strategic partnership with UNIDO under a programme aimed at enhancing supply-side capacities in the LDCs. The two agencies were working in the Lao People's Democratic Republic and the United Republic of Tanzania, among other countries.

183. The Centre's Women and Trade Programme helped women entrepreneurs to derive greater economic benefit from their participation in export-oriented value chains and improve the competitiveness of their goods and services. Since 2010, it had supported the establishment of women's associations in the coffee sector in East Africa in cooperation with the International Women's Coffee Alliance. The programme included awareness-raising and advocacy elements and played an important role in connecting women to export markets. An important component of the programme was the Global Platform

for Action on Sourcing from Women Vendors, which allowed multinational companies and Governments to source and procure goods from women entrepreneurs.

184. Consultations between ITC and UNIDO had already begun to strengthen synergies in the work of the two agencies in supporting the efforts of the LDCs to achieve gender equality and the empowerment of women and girls. That was part of the global commitment to the implementation of the Istanbul Programme of Action.

185. The post-2015 development agenda should place greater focus on economic empowerment issues, particularly in the LDCs. Increased attention to trade and competitiveness issues would result in a strong global partnership to boost inclusive growth and sustainable development. Ensuring that the development agenda addressed the special needs of the LDCs, particularly those relating to trade and industrial development, would help to attract international attention and ensure a coordinated response.

186. ITC would join UNIDO and other agencies in ensuring that the economic empowerment pillar of the post-2015 development agenda was appropriately formulated to build strong synergies with the social and sustainability pillars. The three pillars would go a long way in shaping a brighter future for the LDCs.

187. **Mr. Debabeche** (League of Arab States) began by commending the Director General for his active participation in the General Assembly, his work to enhance cooperation between UNIDO and regional and international organizations and his role in ensuring that the Organization met the expectations of Member States. The League of Arab States was convinced of the importance of the UNIDO mandate in enhancing and accelerating sustainable industrial development and promoting it as an international priority.

188. The League of Arab States welcomed the focus placed by UNIDO on areas that were important to its member States, particularly job creation, poverty eradication, increased capacity-building, technology transfer, investment and efficiency in the use of energy resources.

189. The fifteenth session of the General Conference was a good opportunity to stress the importance of the Organization's partnerships. The League of Arab States welcomed the adoption of the Lima Declaration and

looked forward to cooperating with UNIDO in achieving its goals.

190. The League supported the endeavours of the Arab States to form a regional agenda for increasing cooperation with UNIDO in fields of mutual interest so that countries could draw maximum benefit from the Organization, increase the quality and quantity of industrial development projects and overcome current challenges.

The meeting rose at 18.35 p.m.



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Summary record of the 9th meeting

Held at the Westin Lima Hotel and Convention Center, Lima, on Friday, 6 December 2013, at 9 a.m.

President: Ms. Treviño (Peru)

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The meeting was called to order at 9.20 a.m.

Tribute to the memory of Nelson Mandela

1. **The President** said that, before the Conference resumed its work, she wished to invite the participants to observe a minute of silence in tribute to the memory of Nelson Mandela. Of all the messages that were part of Nelson Mandela's legacy to the world, she wished to quote one that was perhaps among the most powerful and that was of particular relevance to the current session of the UNIDO General Conference: "Education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that the son of a mineworker can become the head of the mine, that a child of farmworkers can become the president of a great nation."

2. *The Conference observed a minute of silence in tribute to the memory of Nelson Mandela.*

Elections to organs

(a) Industrial Development Board

3. **The President**, drawing attention to paragraphs 1 and 2 of Article 9 of the Constitution, said that 27 members of the Industrial Development Board were to be elected as follows:

Thirteen members from States in List A of Annex I to the Constitution, of which seven were to be from African States and six from Asian States;

Seven members from States in List B;

Five from States in List C; and

Two from States in List D.

4. She had been informed by the respective groups that the following States were proposed as candidates:

List A (African States): Algeria, Burkina Faso, Cameroon, Côte d'Ivoire, Namibia, Tunisia, Zimbabwe;

List A (Asian States): India, Iran (Islamic Republic of), Jordan, Pakistan, Philippines, Syrian Arab Republic;

List B: Austria, Greece, Ireland, Spain, Switzerland, Turkey;

List C: Argentina, Cuba, Guatemala, Peru, Venezuela (Bolivarian Republic of);

List D: Romania, Russian Federation.

5. She drew attention to the fact that one seat to be filled by a member from a State in List B remained vacant.

6. *The above-mentioned States were elected members of the Industrial Development Board until the closure of the seventeenth regular General Conference session in the year 2017.*

(b) Programme and Budget Committee

7. **The President**, drawing attention to paragraphs 1 and 2 of Article 10 of the Constitution, said that the 27 seats on the Programme and Budget Committee were to be filled as follows:

Eleven members from States in List A, consisting of six from African States and five from Asian States;

Nine from States in List B;

Four from States in List C; and

Three from States in List D.

8. She had been informed by the respective groups that the following candidates were proposed:

List A (African States): Cameroon, Côte d'Ivoire, Kenya, Nigeria, Sierra Leone, Togo;

List A (Asian States): China, India, Iran (Islamic Republic of), Pakistan, Republic of Korea;

List B: Austria, Finland, Germany, Ireland, Italy, Japan, Spain, Switzerland, Turkey;

List C: Brazil, Costa Rica, Cuba, Mexico;

List D: Poland, Russian Federation, Ukraine.

9. *The above-mentioned States were elected members of the Programme and Budget Committee until the closure of the sixteenth regular General Conference session in the year 2015.*

Report of the Main Committee and consideration of draft decisions and resolutions (GC.15/16; GC.15/L.2 and GC.15/L.2/Add.1)

10. **Mr. Brennan** (Ireland) expressed sincere condolences to the people of South Africa on the loss of former President Nelson Mandela, one of history's greatest leaders. Speaking in his capacity as Chair of the Main Committee, he wished to emphasize his appreciation of the cooperative and constructive manner in which delegates had participated in the work of the Committee during the current session. It was also important to recognize the value of the pre-session informal consultations that had been held in Vienna, since those exchanges, together with the invaluable work undertaken in Lima, had been instrumental in paving the way to consensus.

11. Document GC.15/16 contained the Committee's report and documents GC.15/L.2 and GC.15/L.2/Add.1 contained the draft decisions and resolutions approved by consensus by the Committee. Drawing attention to document GC.15/L.2/Add.1, he said that, owing to a drafting error, the words "inter alia" had been omitted from operative paragraph (e) of the draft resolution under item 15. He therefore wished to orally amend the third line of that paragraph to read: "... existing regional initiatives, such as inter alia 'A resource-efficient Europe' ...".

12. **The President** thanked the Chair and Vice-Chairs of the Main Committee and all other participants in the Committee's meetings for their excellent and efficient work.

Annual reports of the Director General on the activities of the Organization for 2011 and 2012

Reports of the Industrial Development Board on the work of its fortieth and forty-first regular sessions

Forum on industrial development issues

UNIDO activities related to agribusiness, trade capacity-building and job creation

Report on the work of the Multilateral Diplomatic Committee in UNIDO

Matters related to intergovernmental, non-governmental, governmental and other organizations

13. **The President** suggested that the Conference take note of the information contained in the

documentation submitted under the aforementioned agenda items.

14. *It was so decided.*

Financial matters

(a) Scale of assessments of Member States

15. **The President** drew attention to the draft decision on agenda item 10 (a), contained in document GC.15/L.2 and bearing the same title as the sub-item.

16. *The draft decision was adopted.*

(b) Financial situation of UNIDO

17. **The President** drew attention to the first draft decision on agenda item 10 (b), contained in document GC.15/L.2 and bearing the same title as the sub-item.

18. *The draft decision was adopted.*

19. **The President** drew attention to the second draft decision on item 10 (b), contained in document GC.15/L.2/Add.1 and entitled "Unutilized balances of appropriations".

20. *The draft decision was adopted.*

(c) Working Capital Fund

21. **The President** drew attention to the draft decision on agenda item 10 (c), contained in document GC.15/L.2 and bearing the same title as the sub-item.

22. *The draft decision was adopted.*

(d) Financial regulations

23. **The President** drew attention to the draft decision on agenda item 10 (d), contained in document GC.15/L.2 and bearing the same title as the sub-item.

24. *The draft decision was adopted.*

Programme and budgets, 2014-2015

25. **The President** drew attention to the draft decision on agenda item 11, contained in document GC.15/L.2 and bearing the same title as the agenda item.

26. *The draft decision was adopted.*

Medium-term programme framework

27. **The President** drew attention to the draft decision on agenda item 12, contained in document GC.15/L.2 and bearing the same title as the agenda item.

28. *The draft decision was adopted.*

Outcome document of the informal working group on the future, including programmes and resources, of UNIDO, entitled "Strategic Guidance Document"

29. **The President** drew attention to the draft decision on agenda item 13, contained in document GC.15/L.2 and entitled "Strategic Guidance Document".

30. *The draft decision was adopted.*

Lima Declaration and Plan of Action 2013

31. **The President** drew attention to the draft resolution on agenda item 14, contained in document GC.15/L.2/Add.1 and entitled "UNIDO and the post-2015 development agenda negotiations".

32. **Mr. Melan** (Austria), speaking on behalf of the European Union (EU), said that the UNIDO Member States belonging to the EU wished to co-sponsor the resolution.

33. *The draft resolution was adopted.*

UNIDO activities related to energy and the environment

34. **The President** drew attention to the first draft resolution on agenda item 15, contained in document GC.15/L.2 and entitled "Partnerships towards inclusive and sustainable industrial development".

35. *The draft resolution was adopted.*

36. **The President** drew attention to the second draft resolution on item 15, contained in document GC.15/L.2/Add.1 and entitled "UNIDO activities in energy and environment".

37. *The draft resolution was adopted.*

38. **Mr. Deleuze** (Bolivarian Republic of Venezuela), welcoming the adoption of the draft resolution, said that he wished to place on record his delegation's support for the resolution in its totality and its interpretation of operative paragraph (i) as meaning

that the role of UNIDO in promoting and disseminating international energy management standards and best practices of industrial energy efficiency would be guided by the priorities and national circumstances of each country.

UNIDO activities related to the Vienna Ministerial Declaration and Plan of Action of the Least Developed Countries and to cooperation with middle-income countries

39. **The President** drew attention to the first draft resolution on agenda item 17, contained in document GC.15/L.2/Add.1 and entitled "Industrial development in middle-income countries".

40. *The draft resolution was adopted.*

41. **The President** drew attention to the second draft resolution on item 17, contained in document GC.15/L.2/Add.1 and entitled "Lima Ministerial Declaration for the Least Developed Countries".

42. *The draft resolution was adopted.*

Personnel matters, including UNIDO Staff Pension Committee

43. **The President** drew attention to the draft decision on agenda item 19, contained in document GC.15/L.2 and entitled "Personnel matters, including UNIDO Staff Pension Committee".

44. *The draft decision was adopted.*

Date and place of the sixteenth session

45. **The President** drew attention to the draft decision on agenda item 21, contained in document GC.15/L.2/Add.1 and bearing the same title as the agenda item.

46. *The draft decision was adopted.*

Closure of the session

47. **Ms. Haidara** (Executive Secretary of the Conference), speaking on behalf of the Director General, said that UNIDO wished to express its gratitude to the Government of Peru for its exceptional cooperation with the Secretariat over the past 18 months in planning and organizing the fifteenth session of the General Conference. Many individuals had contributed to the success of the session, and the

Director General had decided to recognize the critical contribution of some of those in the host country who had played an outstanding role in making what was a memorable meeting a great success also.

48. *The Executive Secretary invited the Director General to commend the following individuals: Ms. Rivas Franchini, Minister for Foreign Affairs; Ms. Silva, Minister of Foreign Trade and Tourism, represented by Mr. Gamarra, Vice-Minister of Tourism; Mr. Grippa Zárate, Vice-Minister of Production; Mr. Orellana Blotte, Executive Director of Integral Security of the National Police of Peru; Mr. Steiger, President of the National Association of Industries of Peru; and Mr. García Revilla, Permanent Representative of Peru to UNIDO. She then invited the President of the fifteenth session of the General Conference to commend the following individuals: Mr. Vorobiev, Deputy Chief of the Conference Management Service and Chief of the Planning, Coordination and Meetings Section, United Nations Office at Vienna; Mr. Rahimi, Deputy Chief of the Security and Safety Service, United Nations Office at Vienna; Mr. Mercer, Manager (Groups and Special Events) of the Westin Lima Hotel and Convention Center; and Ms. Valdez, Chief Executive Officer of corporate event company Stimulus.*

49. **Mr. LI Yong** (Director General) expressed his deep sorrow at the loss of Nelson Mandela, a towering figure on the world stage and a great leader who had made an immeasurable contribution to humankind. He wished to join the many voices of condolence that Mr. Mandela's sad passing had elicited all over the world by conveying his sincere sympathies to the people of South Africa.

50. He was extremely pleased by the outcome of the fifteenth session of the General Conference. It had been a historic conference, the success of which had been made possible by the generous cooperation and support of Peru as host country. He thanked the Government and people of Peru for their warm hospitality, and applauded the country's leadership in advancing global industrial cooperation.

51. He expressed appreciation to the many ministers, high-level panellists and delegations that had ensured the Conference's great success, and welcomed the "Vienna spirit" of cooperation and flexibility with which the Member States had approved the various documents on important issues of relevance to UNIDO

operations, foremost of which was the Lima Declaration. He thanked Mr. García Revilla, Ambassador of Peru in Vienna, for skilfully guiding the drafting of the Declaration and for his leadership and vision.

52. He was also grateful to the other ambassadors in Vienna accredited to UNIDO for their strong support, and praised the President and Vice-Presidents of the Conference for skilfully guiding the discussions to a successful and timely conclusion.

53. He also wished to thank the members of the Conference team from the UNIDO Secretariat, as well as the UNOV Conference Services and the United Nations Safety and Security Services, who had made a valuable contribution to the success of the session.

54. He congratulated the new External Auditor, Mr. Engels of the German Supreme Audit Institution, on his election and said that he looked forward to his guidance.

55. The Conference had been a truly historic event that had brought a new spirit to UNIDO: a spirit of inclusive and sustainable industrial development; a spirit of partnership and cooperation; a spirit of aspiration to a better and more prosperous tomorrow. Quoting a Chinese proverb, "A journey of a thousand miles begins with a single step", he said that UNIDO had taken a great first step in Lima by adopting the Lima Declaration, which would be a landmark document for decades to come. Inclusive and sustainable development would be the Organization's development priority for many years, and that would entail great responsibility: a responsibility to implement the Declaration, and a responsibility to act swiftly.

56. The year 2014 must be a year for action. He would work hard to repay the trust placed in him and in UNIDO. It was essential that UNIDO enhance the scope and impact of its services to Member States and to the international community, which was why UNIDO was already planning to arrange a series of forums in 2014, in cooperation with Member States, to discuss global best practices in industrialization and to establish strong partnerships to implement those best practices globally. It was essential to create "networks for prosperity" and to implement the Lima Declaration without delay.

57. UNIDO partnership with its Member States, the private sector, academia and all other stakeholders in inclusive and sustainable industrial development was essential to that work in order to attain the goal of eradicating poverty within the next generation. It was vital that all act immediately and act responsibly as strong partners for prosperity.

58. Quoting a further Chinese proverb, "If you give a man a fish, you feed him for a day, but if you teach him how to fish, you can feed him for his lifetime", he said that in order to eradicate poverty, it was necessary to provide the man with the capacities to build the boat and nets with which to catch the fish. Inclusive and sustainable industrial development was a critical foundation for creating the world to which all aspired: a world free of poverty and one of shared prosperity for all peoples.

59. It was the responsibility of all UNIDO Member States to make the Lima Declaration their future reality and a cornerstone of the post-2015 development agenda. Inclusive and sustainable industrial development must become a priority in the pursuit of the Sustainable Development Goals and in the post-2015 development agenda. Together, UNIDO and its Member States could create shared prosperity and achieve poverty eradication within the next generation.

60. On what was a journey of a thousand miles, the first step had been taken. The fifteenth session of the Conference marked the starting point for the common goal of eradicating poverty. He would follow the guidance enshrined in, and work in partnership with the Member States to implement, the Lima Declaration. Together, UNIDO and its Member States made a difference; together, they advanced inclusive and sustainable industrial development worldwide; together, they would be able to end poverty.

61. **The President**, welcoming the successful outcome of the session, said that it had been an honour for her country to host the General Conference and expressed gratitude for the trust placed in her as President. She commended the Secretariat and the conference services for the excellent organization of the Conference, and particularly the interpreters and technicians for their flexibility. Special thanks were due to the Secretariat for its cooperation and continuous support both during preparations for the Conference in Vienna and during the session in Lima.

62. She also expressed appreciation to Minister for Foreign Affairs Ms. Rivas Franchini and her team for their unconditional support and readiness to assist — and particularly to Mr. García Revilla, Ambassador of Peru in Vienna, who not only had helped to bring UNIDO to Peru but also had assisted with preparations over the course of more than a year.

63. She extended her thanks to the representatives of the private and industrial sectors that had contributed to the organization and success of the forum events, to the National Police of Peru for assisting with security arrangements and to the Minister of Foreign Trade and Tourism, the Vice-Minister of Tourism and the team of the Ministry of Production for their unconditional support.

64. The Conference had been extremely useful for all participants, and she expressed the hope that it had provided Member States with new ideas for implementing industrial policies. For Peru, the Conference had facilitated greater understanding of the experiences of countries in other regions that faced the same challenges. It had helped to strengthen ties among the UNIDO Member States through debate, discussion and the exchange of experiences, and she was convinced that that would greatly strengthen industrial cooperation for the benefit of all countries.

65. Peru would continue to participate actively in UNIDO events, and she was confident that at the next session of the General Conference, Peru would be able to report not only on the challenges that it faced but also on the great progress made in transforming its economy through greater diversification and industrialization with the support of its partners and the technical support and assistance of UNIDO.

66. She wished to conclude by quoting Nelson Mandela once again: "Overcoming poverty is not a gesture of charity; it is an act of justice." She appealed to the Director General to help to guide UNIDO and its Member States in advancing the process of industrialization and thus making that act of justice possible.

67. *The Conference observed a minute of silence for prayer or meditation.*

68. **The President** declared the session closed.

The meeting rose at 10.30 a.m.